

Charging Policy for Care and Support

Document Details

Status	Version 24
Date	April 2025
Author	Asif Rahman
Next Review	April 2026
Document Location	www.worcestershire.gov.uk
Contact	Financial Operational Services Manager

Contents

Charging Policy for Care and Support	1
01. Policy Statement	5
02. Why do people financially contribute towards their care?	5
03. What If I Do Not Want to Disclose My Financial Information?	6
04. Failure to Provide Information	6
05. What If Someone Acts on My Behalf?	7
06. What Is a Chargeable Service?	7
07. Circumstances When People Are Not Charged	8
08. Circumstances When People Will Be	8
Charged In Full	8
09. Services That Are Non-Chargeable	9
10. How the Assessed Contribution Is Calculated	9
Part A – Charging for Care and Support whilst in a Care Home	11
A1. When does this part of the policy apply?	11
A2. Who is a temporary resident?	11
A3. How does the Council assess how much I need to pay?	12
A4. What Income will you look at?	12
A5. What about my Capital, Savings & Investments	12
A6. What about my Property?	13
A7. What about my expenditure?	14
A8. How do you calculate my contribution?	14
A9. When Will I Start to Pay My Contribution?	15
A10. Choice of Accommodation & Top-Up Payments (also known as Above Banding Supplements)	15
A11. How Will I Know What to Pay & When?	16

A12. What If My Circumstances Change?.....	16
A13. Temporary Stays in Hospital.....	16
A14. Reviews.....	17
A15. What If I do not agree with my assessment?	17
A16. What If I Have a Complaint?	18
A17. Useful Contact Information	18
Part A - Appendix A: Capital Limits & Tariff Income	19
Part A - Appendix B: Treatment of Income when receiving Care and Support in a Care Home.....	21
Part A - Appendix C: Treatment of Capital when receiving.....	29
Care and Support in a Care Home.....	29
Part A - Appendix D: Treatment of Property when receiving Care and Support in a Care Home.....	43
Part A - Appendix E: Allowances and Expenditure when receiving care in a Care Home.....	48
Part A - Appendix F: Temporary Residents.....	50
Part B – Charging for Care and Support for Non-residential Services	51
B1. When does this part of the policy apply?	51
B2. How do you assess how much I need to pay?	51
B3. What Income will you look at?	52
B4. What about my Capital, Savings & Investments?.....	52
B5. What about my Property?	53
B6. What about my expenditure?	53
B7. How do you calculate my contribution?.....	54
B8. When Will I Start To Pay My Contribution?	55
B9. How Will I Know What To Pay & When?.....	56
B10. How Do I Pay?.....	56
B11. What If My Circumstances Change?.....	57
B12. Temporary Stays in Hospital.....	57

B13. Reviews	58
B14. What If I do not agree with my assessment?	58
B15. What If I Have a Complaint?	59
B16. Useful Contact Information	59
Part B - Appendix 1: Capital Limits & Tariff Income	61
Part B - Appendix 2: Minimum Income Guarantee	63
Part B - Appendix 3: Rates and Services	65
Part B - Appendix 4: Treatment of Income for Non -Residential Services.....	66
Part B - Appendix 5: Capital	73
Part B - Appendix 6: Treatment of Property for Non- Residential Services.....	86
Part B - Appendix 7: Allowable Household Expenditure	88
Part B - Appendix 8: Disability Related Expenditure	90

01. Policy Statement

This Charging Policy aims to make charging fair and consistent for all adult service users in accordance with guidelines, set out by Central Government. The Council must comply with the Department of Health and Social Care's, Care and Support Statutory Guidance, issued under the Care Act 2014 and ensure that there is equitable charging. This policy is written in line with The Care and Support (Charging and Assessment of Resources) Regulations 2014. Full cost charging is applied to those who have been assessed as being able to afford it, and service users will only ever be charged their maximum assessed charge for means tested services. This policy applies equitable charging for service users whether using a personal budget as a direct payment or receiving Council-commissioned services.

To see the Government Guidance please visit assets.publishing.service.gov.uk/media

In this policy the reference to 'you' refers to the person receiving the care and support from Worcestershire County Council.

In this policy the reference to the 'Council' refers to Worcestershire County Council.

02. Why do people financially contribute towards their care?

The Care Act provides a single legal framework for charging for care and support under sections 14 and 17. It enables a local authority to decide whether or not to charge a person when it is arranging to meet a person's care and support needs.

The overarching principle is that people should only be required to pay what they can afford. People will be entitled to financial support based on a means-tested financial assessment and some will be entitled to free care.

The framework is therefore based on the following principles:

- 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;
- be person-focused, reflecting the variety of care and caring journeys and the variety of options available to meet their needs.
- apply the charging rules equally so those with similar needs or services are treated the same and minimise anomalies between different care settings; and
- encourage and enable those who wish to stay in or take up employment, education or training or plan costs of meeting their needs to do so

If you are receiving a chargeable service, then a means-tested financial assessment will be conducted to establish how much you should contribute towards the cost of your care package. The Council will not require you to pay more than it appears is reasonably practicable for you to pay.

03. What If I Do Not Want to Disclose My Financial Information?

Whilst you may have the right not to provide details of your financial circumstances, we will in such cases deem you to be able to pay for your care costs in full as it is for you to satisfy the Council that your means are insufficient to be able to pay the full charge.

Should you later decide to disclose your financial details, any revised contribution will take effect from the date we receive the relevant information.

04. Failure to Provide Information

The onus is on you or your representative to provide all information required to complete the financial assessment.

You will be treated as not co-operating with the financial assessment if you fail to participate in the assessment process or do not provide the requested information within 28 days. As such

Page | 6

you will be deemed to have failed to disclose sufficient information to show that you are unable to pay for your care costs in full and will therefore be charged in full of the date the services started.

05. What If Someone Acts on My Behalf?

We understand that some people have family or friends who may help them with their financial affairs. With your written authorisation we can discuss your case with your representative. All documentation, however, must be signed by you, unless you have:

1. Authorised someone else to do so under a Power of Attorney
Or
2. An appointee who has been accepted by the Department for Work and Pensions as authorised to deal with your social security benefits
Or
3. Someone who has been appointed a Deputyship by the Court of Protection to look after your financial affairs.

All written correspondence will be sent to you unless you have a legally appointed representative.

06. What Is a Chargeable Service?

Care and Support as identified and provided in line with the Care Act 2014 are chargeable, some examples below:

- Homecare including Specialised Dementia Service
- Day Opportunities/Care
- Shared Housing Arrangement
- Shared Lives Scheme
- Replacement Care or Short-Term placements
- Care provided in a residential/nursing home
- Care provided in a residential college (including students subject to an EHCP)
- A Direct Payment (this is paid net of your assessed contribution)

Details of charges for services can be found in Part A of this policy - Charging for Care and Support in a Care Home or Residential College and Part B of this policy - Charging for Care and Support in a Non- Residential setting.

It should be noted that charges for meals whether in a Day Centre or in a community setting will be charged for at a flat rate and will be collected by the provider of this service. This charge is not part of the Financial Assessment for Non-Residential Services as it is not subject to a means test.

07. Circumstances When People Are Not Charged

- People suffering from Creutzfeldt Jacob Disease (CJD)
- Services provided under Section 117 of the Mental Health Act 1983
- People who are receiving funding under Continuing Health Care (CHC)

08. Circumstances When People Will Be Charged In Full

- People with capital savings above the Upper Capital Limit. See Appendix A in Part A and Appendix 1 in Part B.
- People assessed as full charge payers by the means test because they have sufficiently large weekly/monthly incomes
- People who have not complied with the financial assessment process

For all other service users, a charge based on their maximum assessed contribution will apply. The financial assessment will take into consideration income and expenditure, and will calculate an assessed charge, based on whether you are receiving care and support in a care home or in another setting, for example at home.

09. Services That Are Non-Chargeable

- Intermediate care for up to six weeks (42 days)
- Promoting Independence Service
- Supported employment
- Drop in facilities for example Connect Centres
- Community Equipment, for example: Aids & Assistive Technology
- Adaptations up to £1,000.00
- Transport to and from Day Care

10. How the Assessed Contribution Is Calculated

A full financial assessment will be completed by a member of the Care Contribution Assessment Team for each service user receiving one or more of the chargeable services from Worcestershire County Council. The financial assessment is usually completed online by you or by telephone with a member of the team. In exceptional circumstances we can send you a form via email which you will then need to scan and email or post back to us. If the assessment is completed on the telephone, we will send you a form to obtain a confirmatory signature.

Should you fail to engage with the financial assessment process, you will be charged the full cost of the care from the start of the service.

The way in which we calculate your assessed contribution will depend on whether you are having care and support in a care home, your own home or other setting.

If you are having care and support in a Care Home, whether this is permanent please read:

'Part A - Charging for Care and Support when in a Care Home' of this policy which will tell you how we assess what you can afford to contribute towards your care.

If you are having care and support in your own home, or a temporary or short stay in a care home (replacement or respite care) or another setting please read:

'Part B – Charging for Care and Support for non-residential services' of this policy which will tell you how we assess what you can afford to contribute towards your care.

Part A – Charging for Care and Support whilst in a Care Home

A1. When does this part of the policy apply?

If you are receiving care and support in a care home, whether this is permanent or temporary, your contribution will be calculated in accordance with this section.

Young people who are placed in a residential college, which is subject to part funding agreements between Special Educational Needs (SEN) and Adult Services, including students who are subject to an Educational Health and Care Plan (EHCP), have their placement at the college provided under the Children and Family Act 2014 (S65). Any care and support that is assessed and provided under the Care Act 2014 during term time is subject to this charging policy.

A2. Who is a temporary resident?

In some circumstances a person may be assessed as requiring a temporary stay in a care home. This may be for a variety of reasons, such as, providing replacement care (formerly known as respite care) or short-term placement to allow a carer to have a break from their caring role, or to provide a period of more intense support due to an additional but temporary care need.

To see how we determine a person's contribution towards their care and support needs in such circumstances, please see Appendix F.

In some circumstances, a stay may initially be planned as temporary but could become permanent. In such cases, the financial assessment of the person as a permanent resident will only be from the date their care plan is amended and agreed.

A3. How does the Council assess how much I need to pay?

The financial assessment is a means tested assessment based on your income and savings.

Only the income of the cared for person will be taken in to account in the financial assessment in determining what they can afford to pay for their care and support whilst permanently in a care home setting.

The Council has no power to assess couples or civil partners according to their joint resources, each person will therefore, be treated individually. If you move into a care home on a permanent basis, you and your partner will need to claim the appropriate state benefits individually in your own right, not as a couple.

A4. What Income will you look at?

When calculating your income, we consider state benefits and any private income you have, for example: private pensions, work occupational pensions and rental income.

You will be expected to claim all benefits to which you are entitled. Worcestershire County Council have the right to include all benefits that you are entitled to, but have not yet been applied for or awarded, as part of your financial assessment.

Some benefits and income are disregarded. For further information see Appendix B

A5. What about my Capital, Savings & Investments

Any capital, savings and investments you have below the lower capital limit (see Appendix A) will be disregarded in the financial assessment.

Any capital, savings and investments you have between the lower and upper capital limits (see Appendix A) will attract a tariff income (see Appendix A), of £1.00 for every £250.00 above the lower capital limit up to the upper capital limit.

For example, Mrs A has £2,000 over the lower capital limit so there will be an £8.00 tariff income.

If you have any capital, savings, and investments above the upper capital limit (see Appendix A), you will be asked to pay the full cost of your care.

For further information regarding the treatment of different types of capital, savings, and investments, see Appendix C.

Joint Capital, Savings & Investments

Jointly held capital, savings and investments will be treated as belonging equally between the named owners subject to clear proof to the contrary.

For example, a savings account holding £30,000, held in both husband's and wife's names. Each would be treated as owning £15,000.

If you are a couple and have capital, savings and, or investments above the couple upper capital limit, you will be asked to pay the full cost of your care.

A6. What about my Property?

If you own any property or land, the value of this will be taken into account in your financial assessment.

The property that you previously lived in as your main or only home (prior to going into the care home) may be disregarded for the first 12 weeks of your stay.

If after the 12 weeks, you choose to remain in the Care Home, you could enter into a Deferred Payment Agreement. A Deferred Payment Agreement is for people who own their own home but either do not wish or cannot sell it immediately and cannot meet the full cost of their care home fees from their other income or capital. Effectively, the scheme offers you a loan from the Council using your home as security.

For more information regarding the Deferred Payment Scheme please refer to the Councils Deferred Payment Scheme Policy.

In some circumstances we can continue to disregard the value of what was your main or only home. The treatment of property is quite complex and more details on this topic and circumstances when the Council may consider a disregard, is covered in Appendix D

A7. What about my expenditure?

Certain household expenditure may be allowed for the first 4 weeks of your care home placement if you live in a house which you do not own, for example: your rent if you rent your home from a Housing Association.

Where a property is disregarded (for example where the property is occupied by a qualifying relative, or during the 12-week property disregard period) a discretionary increase to the Personal Expense Allowance may be considered at the discretion of the Council, where evidence of actual expenditure is provided. Each case will be considered on its own individual circumstances. Where the property is jointly owned, we will only consider the residents share of any ongoing expenditure.

See Appendix E for a breakdown of these allowable expenses.

A8. How do you calculate my contribution?

We will look at the total amount of income and savings you have per week, which will include any state benefits and private pensions. The total amount of this is known as your 'Assessed Income.'

We will take away any allowable expenditure from your 'Assessed Income' and will deduct the weekly 'Personal Expense Allowance', which is set by the Department of Health and Social Care. This allowance is so the person in the care home is able to buy personal items such as clothing and other items that are not part of their care.

Your remaining income is what is left to pay towards your weekly care costs, this is known as your 'Assessed Contribution.'

This calculation will be slightly different for someone who wishes to enter in to a Deferred Payment Agreement. This is explained in more detail at Appendix E.

A9. When Will I Start to Pay My Contribution?

You will be responsible for contributing towards your care costs from the date the Council begin to assist you with your care home fees.

A full financial assessment will need to be completed in order to determine what your 'Assessed Contribution' is. We will expect you to engage with the financial assessment process, within the first 4 weeks of your service starting. After this period, should you have failed to engage or provide us with any necessary information, you will be assumed to be able to pay for your care in full and invoiced for the full cost of your care from the date it started.

Once the financial assessment has been completed, your 'Assessed Contribution' will be backdated to the date the Council began to assist you with your care home fees.

A10. Choice of Accommodation & Top-Up Payments (also known as Above Banding Supplements)

In some cases, a person may actively choose a setting that costs more than the

Personal Budget the Council has assessed as the amount required to meet their care and support needs. In this case, an arrangement will need to be made as to how the difference will be met.

This is known as a Top up or Above Banding Supplement and is the difference between the amount of the person's assessed weekly Personal Budget and the actual cost of the care home.

In such cases, the Council must arrange for the person requiring care and support to be placed there, provided a third party, or in certain circumstances the person themselves, is willing and able to meet the additional cost.

There are specific circumstances when the person requiring care can pay the top up, these are as follows:

- Where they are subject to a 12-week property disregard and have sufficient savings to cover the whole of the top up amount for the duration of the 12 weeks

- Where they have a deferred payment agreement in place with the Council. Where this is the case, the terms of the agreement should reflect this arrangement.
- Where they are receiving accommodation provided under S117 for mental health aftercare.

A11. How Will I Know What to Pay & When?

Historically service users who have been financially assessed to contribute towards their care have been asked to pay this amount direct to the home. However, during 2019 Worcestershire County Council will be changing this process, meaning that payments will be made direct to the Council.

Unless you are advised otherwise, you will be asked to pay your assessed contribution to the Council and you will receive an invoice every 4 weeks.

Once your financial assessment has been completed the Council will write to you informing you what your 'Assessed Contribution' is.

A12. What If My Circumstances Change?

If your financial situation changes at all you must let us know so we can ensure your contribution is correct.

Any change to your contribution will take effect from the date when your circumstances changed and over payment or under payment will be backdated.

A13. Temporary Stays in Hospital

If the person receiving care and support is admitted to hospital, providing the intention is that the person is going to return to the same care home, the Council will continue to pay the home as previously agreed and the person will still be required to pay their assessed weekly contribution to Worcestershire County Council.

A14. Reviews

Worcestershire County Council will carry out an annual review of charges for residential services, in line with the annual increase in State Benefits.

Any review does not necessarily mean your charge will change. However, the maximum assessed contribution can increase or decrease as a result of a review.

A15. What If I do not agree with my assessment?

If you feel that your assessment is incorrect, you should first contact the officer who has completed the assessment to ensure that all the details relating to your assessment are correct. If you still think your assessment is incorrect you can request a formal reconsideration, but this must be done within 3 months of the date of the decision and must be made by email to: CCAAdmin@worcestershires.gov.uk

or in writing to: The Manager, Care Contribution Assessment Team, Worcestershire County Council, County Hall, Spetchley Road, Worcester, WR5 2NP.

We can accept a request for a formal reconsideration on the following grounds only:

1. If you feel that the Council have not applied this policy correctly when calculating your assessed charge; or
2. You think you have expenses that has not been taken into account. Or
- 3 . You feel that you cannot afford the charge due to exceptional circumstances as it would cause you financial hardship (for example you have debts that you are having to repay)

A formal reconsideration will be looked at by a Team manager, who will let you know the outcome of your formal reconsideration within 28 days of receipt.

NB If your formal reconsideration is on the grounds of financial hardship, you will be asked to provide more in-depth financial information explaining why you are unable to pay your assessed contribution.

All this information will then be passed to the Senior Finance Manager for Adult Services, who will consider your request and decide if there are sufficient grounds to prove financial hardship and if so, will consider reducing your assessed contribution for a limited period.

A16. What If I Have a Complaint?

For more information, please see the Worcestershire County Council's Adult Social Care complaints procedure. This is available through the Worcestershire HUB or through contacting the Consumer relations officer (01905 766365) or by visiting [Worcestershire County Council Consumer Relations](#) and using the online form.

A17. Useful Contact Information

For information about social care services please telephone the

Adult Front Door on 01905 768053

or write to:
Social Care,
PO Box 585,
Worcester,
WR4 4AD.

The Care Contribution Assessment Team
County Hall, Spetchley Road
Worcester, WR5 2NP.
Tel: 01905 765761 or Email: CCAdmin@worcestershire.gov.uk

Consumer Relations Team
County Hall, Spetchley Road, Worcester
WR5 2NP
Tel: 01905 766365/766368 or Fax: 01905 766367 or Email:
Representations@worcestershire.gov.uk

Part A - Appendix A: Capital Limits & Tariff Income

Figures set by Government **from April 2025**

Upper Capital Limit £23,250.00

Lower Capital Limit £14,250.00

Tariff Income from Capital

Capital between these amounts.

Lower amount	Upper amount	Tariff Amount
Nil	£14,250	£0
£14,250.01	£14,500	£1
£14,500.01	£14,750	£2
£14,750.01	£15,000	£3
£15,000.01	£15,250	£4
£15,250.01	£15,500	£5
£15,500.01	£15,750	£6
£15,750.01	£16,000	£7
£16,000.01	£16,250	£8
£16,250.01	£16,500	£9
£16,500.01	£16,750	£10
£16,750.01	£17,000	£11
£17,000.01	£17,250	£12
£17,250.01	£17,500	£13
£17,500.01	£17,750	£14
£17,750.01	£18,000	£15
£18,000.01	£18,250	£16
£18,250.01	£18,000	£17
£18,500.01	£18,750	£18
£18,750.01	£19,000	£19

Lower amount	Upper amount	Tariff Amount
£19,000.01	£19,250	£20
£19,250.01	£19,500	£21
£19,500.01	£19,750	£22
£19,750.01	£20,000	£23
£20,000.01	£20,250	£24
£20,250.01	£20,500	£25
£20,500.01	£20,750	£26
£20,750.01	£21,000	£27
£21,000.01	£21,250	£28
£21,250.01	£21,500	£29
£21,500.01	£21,750	£30
£21,000.01	£21,250	£28
£21,250.01	£21,500	£29
£21,500.01	£21,750	£30
£21,750.01	£22,000	£31
£22,000.01	£22,250	£32
£22,250.01	£22,500	£33
£22,500.01	£22,750	£34
£22,750.01	£23,000	£35
£23,000.01	£23,250	£36
£23,250.00	Or more	Full Charge Payer

Part A - Appendix B: Treatment of Income when receiving Care and Support in a Care Home.

When calculating your assessed income we will treat any income in one of three ways:

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

Income taken fully into account

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

- Most Social Security Benefits
- Annuity Income (except home income plans)
- Income from certain disregarded capital
- Income from insurance policies (except mortgage protection insurance policies, each case will be considered on its own merit) See paragraph below for further information
- Occupational Pensions
- Private Pensions
- Refunds of Income Tax
- Rental Income
- Statutory Maternity Pay
- Statutory Sick pay
- Trust Income
- War orphan's Pension

Social Security Benefits

The Social Security benefits listed below are taken fully into account:

- Attendance Allowance
- Bereavement Benefit
- Carers Allowance
- Constant Attendance Allowance (e.g. when paid as part of War Disablement Pension)

- Disability Living Allowance (Care)
- Employment & Support Allowance
- Exceptionally Severe Disablement Allowance (e.g. when paid as part of War Disablement Pension)
- Incapacity Benefit
- Income Support
- Industrial Death Benefit
- Industrial Injuries Disablement Pension
- Jobseekers Allowance
- Maternity Allowance
- Pension Credit
- Personal Independence Payment (daily living component)
- Pneumoconiosis, Byssinosis and Miscellaneous Diseases Scheme
- Retirement Pension
- Severe Disablement Allowance
- Universal Credit
- Widows Benefit
- Working Tax Credit
- Workmen's Compensation (Supplementation)

Where any Social Security benefit payment has been reduced (for example for an earlier overpayment) the amount taken into account will be the amount of benefit before the reduction.

Income from private/occupational pensions and annuities

Where either is paid to the person receiving care and support and they are a member of a couple, you can choose to pay 50% of this income to your partner. If you decide to do this, the Council will only take in to account the remaining 50% in your financial assessment.

Please note:

If the partner remaining at home, receives a means tested State Benefit, they must contact the Department for Work and Pensions, for advice regarding how this may impact on their entitlements.

]

Annuity Income

Any income from an Annuity is taken fully into account, except where it

- is a) Purchased with a loan, secured on your main or only home, or
- b) A gallantry award, such as the Victoria Cross Annuity or George Cross Annuity

In order for us to disregard the annuity under reason (a) above the following must apply:

- One of the annuitants must occupy the property as their main or only home
- You and the other persons taking out of the annuity (if more than one person) must have reached the age of 65 at the time the loan was made
- The terms of the loan were that at least 90% of that loan was to be used to purchase the annuity
- The annuity ends with the life of the last surviving annuitant (if more than one)
- One of the annuitants is liable to pay the interest on the loan
- The loan was secured on a property in Great Britain

Each case will be looked at on its own merits and in line with the Department of Health and Social Care, Care and Support Statutory Guidance, Annex

C. Pension Reforms

As of April 2015, people have much greater flexibility in how they may wish to choose to take their pension. Depending on the choice they make, will depend on how their pension income is treated for the purpose of care charges. Each case will therefore be looked at on its own merit in line with the Department of Health and Social Care, Care and Support Statutory Guidance, Annex C.

Mortgage Protection Insurance Policies

We will disregard the sum of

- a) The amount which covers the interest on your loan, plus
- b) The amount of the repayment which reduced the amount of capital outstanding, plus
- c) The amount of the premium due on the policy

Example:

Amount received as income from your policy is £100.00 per week

The amount of weekly repayment is £50.00 per week

Amount of weekly interest on your loan is £10.00 per week

The ongoing weekly premium is £20.00 per week

Total amount to be disregarded = £80.00 per week

The remaining £20.00 per week would be taken into account as income in your financial assessment.

Income partly disregarded

The Social Security benefits listed below are partly taken into account:

- The first £10 per week of War Widows and War Widowers pension, survivors
- War Widows Pension – This benefit is subject to a £10.00 per week statutory disregard. However, this benefit may also include a war widow's special payment known as "supplementary pension" this element is fully disregarded.
- Income from sub-letting, the first £20.00 per week will be disregarded with the remaining amount being taken into account.
- If you provide board and lodging accommodation (including some meals) then the first £20.00 per week from this income is disregarded and 50% of the remaining income is to be taken into account.

Income fully disregarded

The following types of income are fully disregarded:

- Annuity – purchased with a loan secured on your main or only home
- Armed Forces Independence Payments & Mobility Supplement
- Certain charitable and voluntary payments – paid regularly
- Child Support Maintenance Payments and child benefit
- Child Tax Credit
- Christmas Bonus
- Cold Weather Payments
- Council Tax Benefit

- Disability Living Allowance (Mobility)
- Dependency increases paid with certain benefits
- Discretionary Trust
- Earnings from employment
- Expenses paid to voluntary workers
- Gallantry Awards (including payments to the holders of The Victoria Cross, George Cross or equivalent)
- Guardians Allowance
- 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
- Housing Benefit/Local Housing Allowance payments
- Income frozen abroad
- Income in kind
- Pensioners Christmas Payments
- Personal Independence Payment (Mobility)
- Personal Injury Trust (income from)
- Resettlement Benefit
- Savings Credit element of Pension Credit
- Social Fund Payments
- Students – any grants or loans for the purpose of education
- Training payments or allowances
- Winter Fuel Payments
- Any payment made by or derived from:
 - the Macfarlane Trust
 - the Macfarlane (Special Payments) Trust
 - the Macfarlane (Special Payments)(No.2) Trust
 - the Fund (payments to non-haemophiliacs infected with HIV)
 - the Independent Living Fund (up to 30th June 2015)
 - the Independent Living (Extension) Fund
 - Caxton Foundation
 - Eileen Trust

- MFET Limited
- Skipton Fund
- London Bombings Relief Charitable Fund
- Scottish Infected Blood Support Scheme
- London Emergencies Trust
- We love Manchester Emergency Fund
- Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme

Charitable and voluntary payments

Charitable payments are not always made by a recognised charity, but a payment could come from charitable motives.

For example, a local business could give an individual money for them to purchase a motorised scooter or paying for a terminally sick person to go on a holiday of a lifetime.

The individual circumstances of the payment will need to be taken into account before making a decision. In general, a charitable or voluntary payment which is not made regularly is treated as capital. Charitable and voluntary payments that are made regularly will be fully disregarded.

Treatment of Higher Rate Attendance Allowance

There are two rates of Attendance Allowance, the higher rate which is paid for day and night care and the lower rate which is paid for either day or night care.

The higher rate should only be taken into account where day and night care is being provided by Worcestershire County Council, in all other cases, the difference between the higher rate and lower rate should be disregarded.

Treatment of Highest Rate of Disability Living Allowance (Care)

There are three rates of Disability Living Allowance (Care); the highest rate is paid for day and night care.

The higher rate should only be taken into account where day and night care is being provided by WCC, in all other cases, where the higher rate is paid, the difference between the highest and middle rates should be disregarded.

Treatment of Personal Independence Payment (Daily Living Allowance)

There are two rates of Personal Independence Payment (Daily living Allowance), Enhanced and Standard, however, there is no element paid specifically for care needs at night and therefore, the full amount received will be taken fully into account.

For people transferring from Disability Living Allowance (Care) to Personal Independence Payment (Daily living Allowance), will be protected from a rise in their charge as a result of this change.

Rental Income

Where a person owns a property other than their home which is rented out to tenants, the rental income should be taken into account less verifiable amounts for expenses relating to the rental property e.g. Letting Agents fees, property maintenance payments, and utility bills (where these do not form part of the rental agreement). Income Tax and National Insurance payments should also be deducted.

If you chose to enter into a Deferred Payment Agreement, the treatment of rental income is slightly different. Please see Appendix E.

Notional Income

In some circumstances a person may be treated as having income that they do not actually have. This is known as notional income.

Examples of notional income are:

- Benefits or income that would be available on application.
- Income that a person has been deemed as depriving themselves of for the purpose of reducing the amount they are liable to pay for their care.
- Where a person has reached retirement age and has a personal pension plan but has not purchased an annuity or arranged to draw down the equivalent maximum annuity income that would be available from that plan.

Where notional income is included in a financial assessment, it will be treated the same way as actual income. Therefore any income that would usually be disregarded will continue to be so.

Notional income will be calculated from the date it could be expected to be acquired if an application had been made. We will assume the application was made when we first became aware of the possibility that the income was available.

Attribution of income for a specified period

Payments for regular periods – Where the income is paid at regular intervals, the weekly amount will be calculated as follows:

- Income paid for a period of a week, should be taken into account for one week.
- Income paid for a calendar month should be multiplied by 12 and divided by 52 to arrive at the weekly amount.
- Income paid annually should be divided by 52.
- Income paid at other regular intervals should be divided by the number of days for which the payment is made and then multiplied by 7.

Part A - Appendix C: Treatment of Capital when receiving Care and Support in a Care Home.

Types of capital

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

Any savings held in:

- Bank Accounts
- Building Society Accounts
- Capital held abroad (unless transfer to UK prohibited)
- Capital held by the Court of Protection or a Deputy appointed by the Court
- Cash
- Co-operative Share Accounts
- Girobank Accounts
- Investment of Income Bonds
- ISA Accounts
- National Savings Bank Accounts
- National Savings Certificates & Ulster Savings Certificates
- National Savings Income Bonds
- PEP Accounts
- Property / Land
- Premium Bonds
- SAYE Schemes
- Stocks and Shares
- Trust Funds
- Unit Trusts

Ownership of capital

A capital asset is normally defined as belonging to the person in whose name it is held, the legal owner.

Where ownership is disputed we will seek written evidence to prove where the ownership lies. If a person states they are holding the capital for someone else, we will obtain evidence of this arrangement.

Treatment of Joint Accounts

Where a person is a joint owner of capital, unless evidence can be produced to show the allocation of funds held in a joint account is unequal, we will treat 50% of the total balance as belonging to the person requiring care and support.

Capital Limits

Where person receiving care and support has with more than the upper capital limit is liable to pay the full cost charge for their service. If they have more than the upper capital limit there is no need to make a wider assessment of their ability to pay

Capital of less than the lower limit as specified by the Department of Health and Social Care must be disregarded in full.

Tariff income charge on Capital

Where a person has assets between the lower and upper capital limits we will a tariff income. This assumes that for every £250 of capital, or part thereof, a person is able to afford to contribute £1 per week towards the cost of their eligible care needs.

NB: Tariff Income is meant to represent an amount that a user with capital over a certain limit should be able to contribute towards his/her service costs, not the interest earning capacity of that capital

Valuation of capital

The value of any capital, other than National Savings Certificates is the current market value or surrender value, whichever is higher, less 10% of that value if there would be any expenses

involved in selling the asset (this does not apply once the asset has been sold, when the actual amount realised from the sale is taken into account).

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

Where the value of a capital asset is disputed, a professional valuation may be required.

National Savings Certificates

The value of National Savings Certificates is based on the value of the issue on the previous 01 July; or if purchased during that year, the actual purchase price

Visit www.nsandi.com/products/ilsc/calculator.jsp for latest valuation of index- linked certificates

Assets held abroad

Where capital is held abroad and all of it can be transferred to the UK, its value in the other country should be obtained and taken into account less any appropriate deductions as per our guidance above. Where capital is held jointly, it should be treated the same as if it were held jointly within the UK. The detail will depend on the conditions for transfer to the UK.

Where the capital cannot be wholly transferred to the UK due to the rules of that country, for example currency restrictions, the Council require evidence confirming this fact. Examples of acceptable evidence could include documentation from a bank, Government official or solicitor in either this country or the country where the capital is held.

Where some restriction is in place, the Council will seek evidence showing what the asset is, what its value is and to understand the nature and terms of the restriction so that should this change, the amount can be taken into account. It should also take into account the value that a willing buyer would pay in the UK for those assets, but be aware that it may be less than the market or surrender value in the foreign country.

Capital not immediately realisable

Capital which is not immediately realisable (e.g. Bank deposit account that requires notice to withdraw amounts) should be taken into account in the normal way at its face value.

Capital Disregarded Indefinitely

The capital assets listed below will be disregarded:

- (a) Property in specified circumstances, see Appendix D
- (b) The surrender value of any:
 - (i) Life insurance policy;
 - (ii) 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;
- (g) Any payment that may be derived from:
 - (i) The Macfarlane Trust;
 - (ii) The Macfarlane (Special Payments) Trust;
 - (iii) The Macfarlane (Special Payment) (No 2) Trust;
 - (iv) The Caxton Foundation;
 - (v) The Fund (payments to non-haemophiliacs infected with HIV);
 - (vi) The Eileen Trust;
 - (vii) The MFET Trust;
 - (viii) The Independent Living Fund (2006);
 - (ix) The Skipton Fund;
 - (x) The London Bombings Relief Charitable Fund
 - (xi) Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme
- (h) The value of funds held in trust or administered by a court which derive from a payment for personal injury to the person. For example, the vaccine damage and criminal

injuries compensation funds;

- (i) The value of a right to receive:
 - (ii) Income under an annuity;
 - (iii) Outstanding instalments under an agreement to repay a capital sum
 - (iv) Payment under a trust where the funds derive from a personal injury;
 - (v) Income under a life interest or a life-rent;
 - (vi) Income (including earnings) payable in a country outside the UK which cannot be transferred to the UK;
 - (vii) An occupational pension;
 - (viii) Any rent. Please note however that this does not necessarily mean the income is disregarded. Please see Annex C for guidance on the treatment of income.
- (i) Capital derived from an award of damages for personal injury which is administered by a court or which can only be disposed of by a court order or direction;
 - (j) The value of the right to receive any income under an annuity purchased pursuant to an agreement or court order to make payments in consequence of personal injury or from funds derived from a payment in consequence of a personal injury and any surrender value of such an annuity;
 - (k) Periodic payments in consequence of personal injury pursuant to a court order or agreement to the extent that they are not a payment of income and are treated as income (and disregarded in the calculation of income);
 - (l) Any Social Fund payment;
 - (m) Refund of tax on interest on a loan which was obtained to acquire an interest in a home or for repairs or improvements to the home;
 - (n) Any capital resources which the person has no rights to as yet, but which will come into their possession at a later date, for example on reaching a certain age;
 - (o) Payments from the Department of Work and Pensions to compensate for the loss of entitlement to Housing Benefit or Housing Benefit Supplement;
 - (p) The amount of any bank charges or commission paid to convert capital from foreign currency to sterling;
 - (q) Payments to jurors or witnesses for court attendance (but not compensation for loss of earnings or benefit);
 - (r) Community charge rebate/council tax rebate;

- (s) Money deposited with a Housing Association as a condition of occupying a dwelling;
 - (t) Any Child Support Maintenance Payment;
 - (u) The value of any ex-gratia payments made on or after 1st February 2001 by the Secretary of State in consequence of a person's, or person's spouse or civil partner's imprisonment or internment by the Japanese during the Second World War;
 - (v) Any payment made by a local authority under the Adoption and Children Act 2002 (under section 2(b)(b) or 3 of this act);
 - (w) The value of any ex-gratia payments from the Skipton Fund made by the Secretary of State for Health to people infected with Hepatitis C as a result of NHS treatment with blood or blood products;
 - (x) Payments made under a trust established out of funds provided by the Secretary of State for Health in respect of persons suffering from variant Creutzfeldt-Jakob disease to the victim or their partner (at the time of death of the victim);
 - (y) Any payments under Section 2, 3 or 7 of the Age-Related Payments Act 2004 or Age Related Payments Regulations 2005 (SI No 1983);
 - (z) Any payments made under section 63(6)(b) of the Health Services and Public Health Act 1968 to a person to meet childcare costs where he or she is undertaking instruction connected with the health service by virtue of arrangements made under that section;
 - (aa) Any payment made in accordance with regulations under Section 14F of the Children Act 1989 to a resident who is a prospective special guardian or special guardian, whether income or capital.
-

Capital Disregarded For 26 weeks

The following capital assets will be disregarded for at least 26 weeks in the financial assessment. However, we may choose to apply the disregard for longer where we considers this appropriate.

- a) Assets of any business owned or part-owned by the person in which they were a self-employed worker and has stopped work due to some disease or disablement but intends to take up work again when they are fit to do so. Where the person is in a care home,

- this should apply from the date they first took up residence
- b) Money acquired specifically for repairs to or replacement of the person's home or personal possessions provided it is used for that purpose. This should apply from the date the funds were received.
 - c) Property other than the property you live in as your main or only home, under certain specified circumstances – see Appendix D
 - d) Capital received from the sale of a former home where the capital is to be used by the person to buy another home. This should apply from the date of completion of the sale.
 - e) Money deposited with a Housing Association which is to be used by the person to purchase another home. This should apply from the date on which the money was deposited.
 - f) Grant made under a Housing Act which is to be used by the person to purchase a home or pay for repairs to make the home habitable. This should apply from the date the grant is received.
-

Capital Disregarded For 52 weeks

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

- (a) The balance of any arrears of or any compensation due to non-payment of:
 - (i) Mobility supplement
 - (ii) Attendance Allowance
 - (iii) Constant Attendance Allowance
 - (iv) Disability Living Allowance / Personal Independence Payment
 - (v) Exceptionally Severe Disablement Allowance
 - (vi) Severe Disablement Occupational Allowance
 - (vii) Armed forces service pension based on need for attendance
 - (viii) Pension under the Personal Injuries (Civilians) Scheme 1983, based on the need for attendance
 - (ix) Income Support/Pension Credit
 - (x) Minimum Income Guarantee
 - (xi) Working Tax Credit
 - (xii) Child Tax Credit

- (xiii) Housing Benefit
- (xiv) Universal Credit
- (xv) Special payments to pre-1973 war widows.

As the above payments will be paid for specific periods, they should be treated as income over the period for which they are payable. Any money left over after the period for which they are treated as income has elapsed should be treated as capital.

(b) Payments or refunds for:

- (i) NHS glasses, dental treatment or patient's travelling expenses;
- (ii) Cash equivalent of free milk and vitamins;
- (iii) Expenses in connection with prison visits.

(c) Personal Injury Payments.

Capital Disregarded For 2 years

We will disregard payments made under a trust established out of funds by the Secretary of State for Health in respect of vCJD to:

- (a) A member of the victim's family for 2 years from the date of death of the victim (or from the date of payment from the trust if later); or
- (b) A dependent child or young person until they turn 18

Other Disregards

In some cases a person's assets may be tied up in a business that they own or part own.

Where a person is taking steps to realise their share of the assets, these should be disregarded during the process.

However, the person should be required to show that it is their clear intention to realise the asset as soon as practicable. In order to show their intent, the local authority should request the following information:

- (a) A description of the nature of the business asset;

- (b) The person's estimate of the length of time necessary to realise the asset or their share of it;
- (c) A statement of what, if any, steps have been taken to realise the asset, what these were and what is intended in the near future; and
- (d) Any other relevant evidence, for example the person's health, receivership, liquidation, estate agent's confirmation of placing any property on the market.

Where the person has provided this information to show that steps are being taken to realise the value of the asset, we will disregard the value for a period that we consider to be reasonable.

In deciding what is reasonable we will take into account the length of time of any legal processes that may be needed.

Where the person has no immediate intention of attempting to realise the business asset, its capital value should be taken into account in the financial assessment. Where a business is jointly owned, this should apply only to the person's share.

Treatment of Investment Bonds

Bonds may be either capital or income. If there is a life interest or an annuity income it should be treated as income. If the Bond has a life assurance policy attached, or a whole of life assurance section included in the agreement, the total value should be disregarded from the assessment in full even if there is no income generated from it.

Treatment of Trust Funds

This section does not apply to the MacFarlane Trust, the Macfarlane (Special Payments) Trust, the MacFarlane (Special Payments)(No.2) Trust, the Eileen Trust.

What is a Trust?

A trust is an arrangement for one person or a group of people (the trustee(s)) to hold and administer capital in the form of money or property for the benefit of another person or group of people (the beneficiary (ies)).

Examples of capital that might be held on trust are:

- Money awarded by a court as compensation
- Proceeds of a separation or divorce settlement
- Money set aside by parents to ensure a regular income for a person who is unable to support himself by reason of illness or disability
- A bequest under a will

Trustees

Trustees may be:

- The Public Guardian/Trustee
- The Court of Protection
- A professional person such as a solicitor
- The parents of a beneficiary who cannot act for himself
- Any other responsible person, perhaps appointed under the terms of a will

Trustees' powers are governed by:

- (a) The terms of any trust deed;
- (b) The law of equity; and
- (c) The Trustee Act 1925 or the Administration of Estates Act 1925 in England and Wales or the Succession (Scotland) Act 1964 in Scotland

Identifying a trust

A trust is usually set up by means of a trust deed. The deed sets out the terms of the trust, and will contain details of the beneficiaries, the amount by which they should benefit and when payment or payments should be made. The Trust deed could be in the form of a will or Deed of Settlement.

We may refer copies of Trust documents to the Council's Legal department for advice.

Discretionary trusts

Where capital and income can only be made available to you at the discretion of the trustees, the capital and income will be disregarded unless it is clear that the trustees will make monies

available to you – for example if a regular payment is made by the trustees to the beneficiaries.

Evidence required:

We will need to see copy of the trust document and details of historic payments.

Compensation for personal injury

If you have received compensation as a result of personal injury and any payment is placed in a 'Personal Injury Trust' the capital and any income derived from the trust will be disregarded.

Evidence required:

Copy of the Personal Injury Trust document.

All Other Trust Funds

These will be looked at individually, however if the capital (or income from the trust) would be available to you on application you will be treated as possessing that capital or income.

Evidence required:

Copy of the Trust document.

Notional Capital

In some circumstances a person may be treated as possessing a capital asset even where they do not actually possess it. This is called notional capital.

Notional capital may be capital which:

- (a) Would be available to the person if they applied for it;
- (b) Is paid to a third party in respect of the person;
- (c) The person has deprived themselves of in order to reduce the amount of charge they have to pay for their care.

A person's capital should therefore be the total of both actual and notional capital. However, if a person has actual capital above the upper capital limit, it may not be necessary to consider notional capital.

Capital treated as Income

The following capital payments should be treated as income.

- a) Any payment received from an annuity
- b) Capital paid by instalment where the total of
 - (i) The instalments outstanding at the time when the person is assessed as needing care and support; and
 - (ii) The total amount of instalments outstanding plus other capital held is in excess of £16,000. If the total is under £16,000 each instalment will be treated as capital.

Income treated as capital

The following types of income will be treated as capital:

- (a) Any refund of income tax charged on profits of a business or earnings of an Employed earner; Any holiday pay payable by an employer more than 4 weeks after the termination or interruption of employment;
- (b) Income derived from a capital asset, for example, building society interest or Dividends from shares. This should be treated as capital from the date it is normally due to be paid to the person. This does not apply to income from certain disregarded capital;
- (c) Any advance of earnings or loan made to an employed earner by the employer if the person is still in work. This is as the payment does not form part of the employee's regular income and would have to be repaid;
- (d) Any bounty payment paid at intervals of at least one year from employment as:
 - (i) A part time fireman;
 - (ii) An auxiliary coastguard;
 - (iii) A part time lifeboat man;
 - (iv) A member of the territorial or reserve forces.
- (e) Charitable and voluntary payments which are neither made regularly nor due to be made regularly, apart from certain exemptions such as payments from AIDS trusts. Payments will include those made by a third party to the person to support the clearing of charges for accommodation.
- (f) Any payments of arrears of contributions by a local authority to a custodian towards the cost of accommodation and maintenance of a child.

Capital available on application

In some instances a person may need to apply for access to capital assets but has not yet done so. In such circumstances this capital will be treated as already belonging to the person except in the following instances:

- (a) Capital held in a discretionary trust;
- (b) Capital held in a trust derived from a payment in consequence of a personal injury;
- (c) Capital derived from an award of damages for personal injury which is administered by a court;
- (d) Any loan which could be raised against a capital asset which is disregarded, for example the home.

The Council will need to distinguish between:

- (a) Capital already owned by the person but which in order to access they must make an application for. For example:
 - (i) Money held by the person's solicitor;
 - (ii) Premium Bonds;
 - (iii) National Savings Certificates;
 - (iv) Money held by the Registrar of a County Court which will be released on application; and
- (b) Capital not owned by the person that will become theirs on application, for example an unclaimed Premium Bond win. This should be treated as notional capital.

Deprivation of Capital

We may consider that you have deprived yourself of a capital asset in order to reduce your contribution towards your care. If this is the case we may treat you as still possessing the asset.

If your capital has significantly reduced in the last 12 months, you may be asked to provide evidence as to how the money has been spent. This could be in the way of receipts for the purchased items in addition to providing complete bank statements.

We will need to decide if you have deliberately deprived yourself of capital. When making this decision we consider:

- The timing of the disposal; and
- Reasons for disposal

Examples of where a person has deprived themselves of capital:

- A lump-sum payment has been made to someone else (e.g. as a gift or to repay a debt)
- Substantial expenditure has been incurred (e.g. on an expensive holiday)
- The title deeds of a property have been transferred to someone else
- Money has been put into a trust which cannot be revoked
- Money has been converted into another form which would fall to be disregarded (e.g. personal possessions)
- Capital has been reduced by living extravagantly (e.g. gambling or following a much higher standard of living than the resident could normally afford)
- Capital has been used to purchase an investment bond with life insurance

This list is not exhaustive, and each case will be looked at on its own merit. For further information please refer to Worcestershire County Councils Deliberate Deprivation Policy.

Part A - Appendix D: Treatment of Property when receiving Care and Support in a Care Home

The property you formally lived in

The value of the house which you occupied as your own or main home before entering in a care home will be disregarded for the first 12 weeks of the stay in a care home.

After 12 weeks, the value of the property will be taken into account in your financial assessment, meaning that you may have to pay the full cost of your care fees, unless we can disregard the value under one of the following criteria:

1. Mandatory Disregard

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:
 - (i) intend to return to that property and that property is still available to them; or
 - (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:
 - 1) Aged 60 or over, or
 - 2) Is a child of the resident aged under 18, or
 - 3) Is incapacitated.

For the purposes of the disregard a relative is defined as including any of the following:

- (a) Parent (including an adoptive parent)
- (b) Parent-in-law
- (c) Son (including an adoptive son)
- (d) Son-in-law
- (e) Daughter (including an adoptive daughter)
- (f) Daughter-in-law
- (g) Step-parent
- (h) Step-son
- (i) Step-daughter
- (j) Brother
- (k) Sister
- (l) Grandparent
- (m) Grandchild
- (n) Uncle
- (o) Aunt
- (p) Nephew
- (q) Niece
- (r) The spouse, civil partner or unmarried partner of a to k inclusive.

A member of the person's family is defined as someone who is living with the qualifying relative as part of an unmarried couple, married to or in a civil partnership.

For the purposes of the disregard the meaning of "incapacitated" is not closely defined. However, it will be reasonable to conclude that a relative is incapacitated if either of the following conditions apply:

- (a) The relative is receiving one (or more) of the following benefits: incapacity benefit, severe disablement allowance, disability living allowance, personal independence payments, armed forces independence payments, attendance allowance, constant attendance allowance, or a similar benefit; or
- (b) The relative does not receive any disability related benefit but their degree of incapacity is equivalent to that required to qualify for such a benefit. Medical or other evidence may be needed before a decision is reached.

A property must be disregarded where the relative meets the qualifying conditions as above (i.e. is aged 60 or over or is incapacitated) and has occupied the property as their main or only home since before the resident entered the care home.

In most cases it will be obvious whether or not the property is occupied by a qualifying relative as their main or only home. However, there will be some cases where this may not be clear, in such circumstances the Council will undertake a factual inquiry weighing up all relevant factors in order to reach a decision.

Examples of some facts which will be taken into consideration when making this decision are as follows:

- Does the relative currently occupy another property?
- If the relative has somewhere else to live do they own or rent the property (i.e. how secure/permanent is it?)
- If the relative is not physically present is there evidence of a firm intention to return to or live in the property
- Where does the relative pay council tax?
- Where is the relative registered to vote?
- Where is the relative registered with a doctor?
- Are the relative's belongings located in the property?
- Is there evidence that the relative has a physical connection with the property?

2. Discretionary Disregard

The Council may also use its discretion to apply a property disregard in other circumstances. However, the Council will need to balance this discretion with ensuring a person's assets are not maintained at public expense. An example where it may be appropriate to apply the discretionary disregard is where it is the sole residence of someone who has given up their own home in order to care for the person who is now in a care home or is perhaps the elderly companion of the person.

A property may be disregarded when a qualifying relative moves into the property after the resident enters a care home. Where this happens the Council will consider all the relevant factors in deciding whether the property must be disregarded. Factors such as the timing and purpose of the move may be relevant in establishing if the property is the relative's main or only

home. The purpose of the disregard in these circumstances is to safeguard certain categories of people from the risk of homelessness.

The Council will consider if the principle reason for the move is that it is necessary to ensure the relative has somewhere to live as their main or only home. A discretionary disregard would not be appropriate, for example where a person moves into a property solely to protect the family inheritance.

The Council needs to ensure that people are not inappropriately maintained at public expense and will need to take account of the individual circumstances of each case; however, when making its decision it may take in to account the factors listed above for the mandatory disregard plus the following additional factors:

- Was the relative occupying another property as their main or only home at the time of the previous financial assessment?
- Could the relative have reasonably expected to have the property taken into account at the time they moved into the property?
- Would failure to disregard the property result in the eligible relative becoming homeless?
- Would failure to disregard the property negatively impact on the eligible relatives own health and wellbeing?

12 week property disregard

The Council must disregard the value of a person's main or only home when the value of their capital, excluding their former main or only home, is below the upper capital limit for 12 weeks in the following circumstances:

- (a) When they first enter a care home as a permanent resident;
or
- (b) When a property disregard other than the 12-week property disregard unexpectedly end because the qualifying relative has died or moved into a care home.

The Council also has discretion to choose to apply the 12 week disregard, when there is a sudden and unexpected change in the person's financial circumstances.

For example, there is a sudden and significant fall in share prices or has an unanticipated debt. Each case will be considered on its own merits.

Deferred Payment Scheme

After the 12 week property disregard period, the value of the property which was your main or only home, will be included in your financial assessment. If the value of that asset plus any other capital is above the upper capital limit, you will be assessed as being able to pay for care costs in full.

However, if you choose to enter into a Deferred Payment Agreement, the value of the property will be disregarded during the lifetime of the agreement.

A Deferred Payment is a loan, which is secured against your property, by way of a legal charge, similar to that of a mortgage. You pay the part of the weekly care contribution that you have been financially assessed as being able to pay from your income and savings and the Council pays the part that you cannot meet, up to the Council's standard weekly rate.

This amount that the Council pays is a loan and accrues as a debt against the value of your property. This is repayable when you have the capital available to clear the debt. For most people this will be when the property is sold, either immediately or at a later date.

For more information regarding the Deferred Payment Scheme please see Worcestershire County Council's Deferred Payment Scheme Policy.

Other Property or Land

Where you own property or land other than what was your former main or only home, it will be taken into account based on the current value of the property/land after deducting any outstanding mortgage/loans and allowing 10% of the value for the cost of sale.

Jointly Owned

Where a property is jointly owned, except where there is evidence that the person owns an unequal share, the total value of the property will be divided equally between the joint owners.

The value of the person's share will be treated as capital and taken into account within the financial assessment, minus 10% which would cover any sale costs, any outstanding mortgage the person is responsible for, less the lower capital limit.

Part A - Appendix E: Allowances and Expenditure when receiving care in a Care Home

For those without a Deferred Payment Agreement

Allowances

The Council must leave the person receiving care and support, with a minimum amount of income; this is known as the 'Personal Expense Allowance' and is set nationally by the Government each year.

The purpose of the personal expense allowance is to ensure that the person has money to spend as they wish on such things as toiletries, newspapers, hairdressing and clothing. It is not to be used in any way to cover any aspect of their care and support.

In some circumstances the Council can decide to allow a person to retain more income than the standard personal expense allowance.

For example:

- If the person has a dependent child.
- Younger adults in a care home, where the personal expense allowance may not be sufficient to allow them to achieve an increased level of independence, for example meeting their educational needs.

Current rate of Personal Expense Allowance:

From April 2025: £30.65 per week

Expenditure

In some circumstances, the Council can allow certain housing costs for what was your former main or only home. If you rented your former home, this expenditure will only be allowable for the first 4 week of your stay in a care home.

Where a property is disregarded (for example where the property is occupied by a qualifying relative, or during the 12 week property disregard period) a discretionary increase to the Personal Expense Allowance may be considered at the discretion of the Council, where evidence of actual expenditure is provided. Each case will be considered on its own individual circumstances. Where the property is jointly owned, we will only consider the residents share of

any ongoing expenditure.

For those with a Deferred Payment Agreement (from week 13)

Allowances

Once you have entered into a Deferred Payment Agreement, you have the right to retain more of your income in order for you to ensure that you meet the terms and conditions of the agreement, for example, ensuring the property is adequately maintained and insured.

The Government acknowledges that the standard Personal Expense Allowance may not be sufficient to enable you to do this. Therefore, with a Deferred Payment Agreement, you are entitled to retain a higher amount called the 'Disposable Income Allowance.'

You may, however, choose to keep less than the Disposable Income Allowance, this can be advantageous as you would be contributing more towards the cost of your care and consequently reducing the amount of the weekly debt which is accruing.

This is entirely the choice of the person requiring care and support or their legal representative and the Council will automatically assume you want to keep the full amount of the Disposable Income Allowance unless you specifically advise otherwise.

Current rate of Disposable Income Allowance:

From April 2025: Up to £144.00 per week

Treatment of Rental Income

Once you have entered into a Deferred Payment Agreement, if you choose to rent out your property, you must first obtain consent from Worcestershire County Council, to do so.

Once consent has been given, the Council will complete a new financial assessment to take account of this income. However, in these cases, the Council will disregard 25% of the gross weekly rental income.

Part A - Appendix F: Temporary Residents

If a person is assessed as needing a temporary stay in a care home, the Council will complete a financial assessment. Temporary residents receiving Replacement or Respite care will be charged as though their care is being provided in the community will be assessed as a non-residential service. Please see Part B of this policy.

Part B – Charging for Care and Support for Non-residential Services

B1. When does this part of the policy apply?

If you are receiving one of the following services your contribution will be calculated in accordance with this section:

- Homecare including Specialised Dementia Service
- Day Opportunities/Care
- Shared Housing Arrangement
- Shared Lives Scheme
- Transport to and from Day Care
- A Direct Payment (this is paid net of your assessed contribution.
- Temporary stays in a care home, Replacement and Respite Care.

B2. How do you assess how much I need to pay?

The financial assessment is a means tested assessment based on your income and savings.

Only the income of the cared for person will be taken in to account in the financial assessment. in what they can afford to pay for their care and support.

The Council has no power to assess couples or civil partners according to their joint resources, each person will therefore, be treated individually. Where the cared for person receives income as one of a couple, the starting presumption is that the cared for person has an equal share of the income.

For example:

If the cared for person receives Pension Credit Guarantee or Income Support for themselves and their partner, the assessment will be based on half of the amount received. If the total amount of Income Support is £160.00pw the amount that will be taken into account in the assessment, will be £80.00pw.

When completing the financial assessment, the Council will disregard the amount of your income, equivalent to the Minimum Income Guarantee in line with Department of Health and Social Care's Charging for Care and Support Guidance.

Where a service user has a dependent child, who resides in the same house, additional Minimum Income Guarantee will be allowed per child.

B3. What Income will you look at?

When calculating your income, we take into account state benefits and any private income you have, for example: private pensions, work occupational pensions and rental income.

You will be expected to claim all benefits to which you are entitled. Worcestershire County Council have the right to include all benefits which you are entitled to, but have not yet been applied for or awarded, as part of your financial assessment.

Some benefits and income are disregarded. For further information see Appendix 4.

B4. What about my Capital, Savings & Investments?

- Any capital, savings and investments you have below the lower capital limit (see Appendix 1) will be disregarded in the financial assessment.
- Any capital, savings and investments you have between the lower and upper capital limits (see Appendix 1) will attract a tariff income (see Appendix 1), of £1.00 for every £250.00 above the lower capital limit up to the upper capital limit. For example, Mrs A has £2,000 over the lower capital limit so there will be an £8.00 tariff income.

- If you have any capital, savings and investments above the upper capital limit (see Appendix 1), you will be asked to pay the full cost of your care.

For further information regarding the treatment of different types of capital, savings and investments, see Appendix 5.

Joint Capital, Savings & Investments

Jointly held capital, savings and investments will be treated as belonging equally between the named owners subject to clear proof to the contrary.

For example, a savings account holding £30,000, held in both husband's and wife's names. Each would be treated as owning £15,000.

If you are a couple and have capital, savings and, or investments above the couple upper capital limit, you will be asked to pay the full cost of your care.

B5. What about my Property?

If you own your home, the value of the property you live in is fully disregarded.

If you own any other property which is not your main or only home, or own land, we will treat this as an asset and it will be classed as capital you own.

In some circumstances the value of this asset can be temporarily disregarded, for more information see Appendix 6.

B6. What about my expenditure?

Certain expenditure is regarded as allowable and will be taken into account in the assessment. This will therefore reduce the amount you are asked to pay.

We can allow specific housing costs in the assessment if you are the householder; these will be split proportionately between all liable occupants. For further details see Appendix 7.

As of April 2020, any new service user who is in receipt of any of the benefits list below, will automatically be allowed to retain an additional amount of money, which is to help towards their disability related expenses. This allowance is set at 3 different rates depending on the level of qualifying benefit the person receives. See Part B – Appendix 3 for these rates.

The qualifying benefits are:

Attendance Allowance,
Personal Independence Payments (Daily Living Component) and
Disability Living Allowance (Care Component)

If a person does not receive one of these qualifying benefits and can verify they incur extra costs as a direct result of their disability or they can evidence that their disability related expenditure exceeds their standard rate, they can request an individual Disability Related Expenditure Assessment. See Part B – Appendix 8 for more detail

A new service user is defined as someone who has never received a package of care or Personal Budget through Worcestershire County Council, before 7th April 2020, or someone who has not received a non- residential service within the last 12 months.

B7. How do you calculate my contribution?

The table below summarises the basic calculation:

	Assessed Income	Appendix 4
Plus	Tariff Income	Appendix 1
Less	Minimum Income Guarantee	Appendix 2
Less	Allowable Household Expenditure	Appendix 7
Less	Allowable Disability Related Expenditure	Appendix 8
Equals	Maximum Assessed Contribution	

Example

Note: Figures used below are for example purposes only and do not reflect the current benefit amounts.

Mr Jones is aged 70, lives alone and receives State Retirement Pension of £60.00pw, Pension Credit of £ 130.00pw and Attendance Allowance of £ 50.00pw. He also has £15,100.00 in a building society account.

He pays £52.00 per year ground rent and also pays £4.00 per week towards his community care alarm.

Assessed Income is	£240 per week
Plus Tariff Income of	£4 per week
Less Allowable Household Expenditure	£1 per week
Less Allowable Disability Related Expenditure	£4 per week
Less Minimum Income Guarantee	£175 per week
Mr. Jones' Maximum Assessed Contribution would be:	£64.00 per week

Unless you are deemed to be able to pay for your care in full, you will never pay any more than your maximum assessed contribution for means tested services, regardless of the level of care you require.

Please note you will be asked to pay for any for meals at Day Care Centres on top of your contribution for your care.

B8. When Will I Start To Pay My Contribution?

If a financial assessment has been completed you will be charged up to your maximum assessed contribution, from the start of the charging week (Saturday) in which the care and support commenced. However, you will not be sent an invoice for the first 4 weeks of your service, to allow you to engage with us and complete the financial assessment which is required to determine your individual maximum assessed contribution.

Should you fail to engage with the financial assessment process, you will be invoiced for the full cost of your care, from the start of the service.

Once your maximum contribution has been assessed, this will take effect from the date your care and support commenced.

People receiving intermediate care will be charged from the 43rd day of their care and support, unless the intermediate care ceases prior to the 43rd date then charges will commence from the date after intermediate care stops.

B9. How Will I Know What to Pay & When?

You will be sent an invoice every calendar month.

You can pay by Direct Debit, you can set this up on our

website. www.worcestershire.gov.uk/council-services/adult-social-care/paying-care-and-support/how-pay-adult-social-care

Payments should be made within 30 days from the date on the invoice. If payments are not made the Council may proceed with legal action

B10. How Do I Pay?

Payment Type	Description
Direct Debit	To set up a Direct Debit for Homecare, Daycare & Replacement Care (formerly Respite) Invoices please chose one of the following options.... <ul style="list-style-type: none">- Secure online sign up, please visit the following link www.worcestershire.gov.uk/paying-care-and-support/how-pay-adult-social-care- Telephone sign up with an officer 01905 844543- Request a paper form and return in the post or by email.
Phone (24hr)	Pay your invoice quickly and easily over the telephone anytime by calling our automated 24 hour automated payments line on 0300 456 2206. You will need your invoice number and debit or credit card details to hand. Your privacy and security online is our prime concern, our payments system encrypts your personal information.

Phone 9am - 5pm	To make a debit or credit card payment over the phone, call 01905 844543. You will need your invoice number and card details to hand. Our experienced Team is available to help you make your payment.
Online (24hr)	Pay your invoice online at any time, using your debit or credit card. We accept Delta, JCB, Maestro, Mastercard, Solo, Switch, Visa Electron & Visa. To make a payment online go to www.worcestershire.gov.uk and click 'make a payment' then pay your invoice online. This will take you to secure online payments. When making online payments you can add multiple invoice numbers by selecting "add to basket" Your privacy and security are our prime concern, and our payments system encrypts your personal information.
BAC's	Sort code: 20-98-87 Account Number: 53583147 This is the most reliable, simple, and secure way to make payment. Please reference the invoice number from your remittance advise at the bottom of your invoice. If you are paying more than one invoice, please quote your customer number as a reference and provide details of your payment to wccincomeallocation@worcestershire.gov.uk

If you are paying a single invoice, quote your invoice number as your reference.

If you are paying more than one invoice, quote your customer number as your reference.

If you are in receipt of a Personal Budget, your contribution will be deducted before this is paid to you.

B11. What If My Circumstances Change?

If your financial situation changes at all you must let us know so we can ensure your contribution is correct.

Any change to your contribution will take effect from the date when your circumstances changed and over payment or under payment will be backdated.

B12. Temporary Stays in Hospital

A stay in hospital of less than 4 weeks is regarded as temporary, and as such providing you are returning to the same accommodation before you were admitted, with the same kind of care package, you will not need to sign a new Client Charging Notification letter and would not

need a new financial assessment. You will continue to pay the same assessed charge, which was payable before your admission.

If, however, your circumstances or care needs have changed, you will need to be assessed by a social worker and will need to have a new financial assessment completed.

The day you are admitted counts as your first day in hospital, however, the day you are discharged, is not counted as a day in hospital.

B13. Reviews

Worcestershire County Council will carry out an annual review of charges for non-residential services, in line with the annual increase in State Benefits.

Any review does not necessarily mean your charge will change. However, the maximum assessed charge can increase or decrease because of a review.

B14. What If I do not agree with my assessment?

If you feel that your assessment is incorrect, you should first contact the officer who has completed the assessment to ensure that all the details relating to your assessment are correct. If you still think your assessment is incorrect you can request a formal reconsideration, but this must be done within 3 months of the date of the decision and must be made by email to: CCAadmin@worcestershire.gov.uk or in writing to: The Manager, Care Contribution Assessment Team, Worcestershire County Council, County Hall, Spetchley Road, Worcester, WR5 2NP.

We can accept a request for a formal reconsideration on the following grounds only:

1. If you feel that the Council have not applied this policy correctly when calculating your assessed charge; or
2. You think you have expenses that has not been taken into account. Or
- 3 . You feel that you cannot afford the charge due to exceptional circumstances as it would cause you financial hardship (for example you have debts that you are having to repay)

A formal reconsideration will be looked at by a Team manager, who will let you know the outcome of your formal reconsideration within 28 days of receipt.

NB If your formal reconsideration is on the grounds of financial hardship, you will be asked to provide more in-depth financial information explaining why you are unable to pay your assessed contribution.

All this information will then be passed to the Senior Finance Manager for Adult Services, who will consider your request and decide if there are sufficient grounds to prove financial hardship and if so, will consider reducing your assessed contribution for a limited period.

B15. What If I Have a Complaint?

For more information, please see the Worcestershire County Council's Adult Social Care complaints procedure. This is available through the Worcestershire HUB or through contacting the Consumer relations officer (01905 766365) or by visiting.

[Worcestershire County Council Consumer Relations](#) and using the online form.

B16. Useful Contact Information

For information about social care services please telephone the Adult Front Door on 01905 768053

Or in writing to:

Social Care,
PO Box 585, Worcester, WR4 4AD.

The Care Contribution Assessment Team
County Hall, Spetchley Road
Worcester, WR5 2NP
Tel: 01905 765761

Email: CCAAdmin@worcestershire.gov.uk

Consumer Relations Team
County Hall, Spetchley Road,
Worcester, WR5 2NP
Tel: 01905 766365 or 766368

Part B - Appendix 1: Capital Limits & Tariff Income

Figures set by Government from April 2025

Upper Capital Limit £23,250.00

Lower Capital Limit £14,250.00

Tariff Income from Capital

Lower amount	Upper amount	Tariff Amount
Nil	£14,250	£0
£14,250.01	£14,500	£1
£14,500.01	£14,750	£2
£14,750.01	£15,000	£3
£15,000.01	£15,250	£4
£15,250.01	£15,500	£5
£15,500.01	£15,750	£6
£15,750.01	£16,000	£7
£16,000.01	£16,250	£8
£16,250.01	£16,500	£9
£16,500.01	£16,750	£10
£16,750.01	£17,000	£11
£17,000.01	£17,250	£12
£17,250.01	£17,500	£13
£17,500.01	£17,750	£14
£17,750.01	£18,000	£15
£18,000.01	£18,250	£16
£18,250.01	£18,000	£17
£18,500.01	£18,750	£18
£18,750.01	£19,000	£19
£19,000.01	£19,250	£20

Lower amount	Upper amount	Tariff Amount
£19,250.01	£19,500	£21
£19,500.01	£19,750	£22
£19,750.01	£20,000	£23
£20,000.01	£20,250	£24
£20,250.01	£20,500	£25
£20,500.01	£20,750	£26
£20,750.01	£21,000	£27
£21,000.01	£21,250	£28
£21,250.01	£21,500	£29
£21,500.01	£21,750	£30
£21,000.01	£21,250	£28
£21,250.01	£21,500	£29
£21,500.01	£21,750	£30
£21,750.01	£22,000	£31
£22,000.01	£22,250	£32
£22,250.01	£22,500	£33
£22,500.01	£22,750	£34
£22,750.01	£23,000	£35
£23,000.01	£23,250	£36
£23,250.00	Or more	Full Charge Payer

Part B - Appendix 2: Minimum Income Guarantee

Single People

Single person Under 25yrs

Single person Under 25yrs – based on Income Support, Jobseekers Allowance (Income Based) & Employment Support Allowance (Income Based) Assessment Phase Only	Weekly Minimum Income Guarantee Figure - 2025
Basic Allowance	£89.15
Basic + Disability Premium	£138.80
Basic + Enhanced Disability Premium	£163.05
Basic + Single Carers Premium	£142.40
Basic + Disability Premium + Single Carers Premium	£192.05
Basic + Enhanced Disability Premium + Single Carers Premium	£216.30
Basic + Couples Carers Premium	£195.65
Basic + Disability Premium + Couples Carers Premium	£245.30
Basic + Enhanced Disability Premium + Couples Carers Premium	£269.55

Single person Over 25yrs

Single person Over 25yrs – based on Income Support, Jobseekers Allowance (Income Based) & Employment Support Allowance (Income Based) & a single person under 25yr but in the Employment Support Allowance Main Phase	Weekly Minimum Income Guarantee Figure - 2025
Basic Allowance	£112.50
Basic + Disability Premium	£162.15

Basic + Enhanced Disability Premium	£186.40
Basic + Single Carers Premium	£165.75
Basic + Disability Premium + Single Carers Premium	£186.40
Basic + Enhanced Disability Premium + Single Carers Premium	£239.65
Basic + Couples Carers Premium	£219.00
Basic + Disability Premium + Couples Carers Premium	£268.65
Basic + Enhanced Disability Premium + Couples Carers Premium	£292.90

Single person – Over 65yrs

Single person – Over 65yrs -based on Pension Credit	Weekly Minimum Income Guarantee Figure - 2025
Basic Allowance	£232.60
Basic + Single Carers Premium	£285.85
Basic + Couples Carers Premium	£339.10

Dependent Children

Allowance per dependent child	£102.95
-------------------------------	---------

Part B - Appendix 3: Rates and Services

Chargeable Non-Residential Service:-

The following services are chargeable:

- Homecare including Specialised Dementia Service
- Day Opportunities/Care
- Transport to and from Day Care
- Shared Housing Arrangement
- Shared Lives Scheme
- Temporary care home stays, replacement, and respite care.

Money paid in the form of a Direct Payment is also subject to charging and is paid net of your assessed contribution.

Rates for Full Cost of Service – Average Actual Cost apply.

Service	Cost
Home Care	Actual cost of care to the Council
Day Care	Actual cost of care to the Council
Transport	Actual cost of care to the Council

Shared Housing Arrangement and Shared Lives Scheme – paid according to your maximum assessed weekly charge.

STANDARD DISABILITY RELATED EXPENDITURE (DRE) RATES – April 2025

Qualifying Benefit Rate	Standard DRE Rate
Disability Living Allowance (Care) Lower Rate	£5.84pw
Attendance Allowance – Standard Rate	£14.78pw
Personal Independence Payment (Daily Living Component) Standard Rate	£14.78 pw
Disability Living Allowance (Care) Standard Rate	£14.78pw
Attendance Allowance – Higher Rate	£22.08pw
Personal Independence Payment (Daily Living Component) Enhanced Rate	£22.08pw
Disability Living Allowance (Care) Higher Rate	£22.08pw

Part B - Appendix 4: Treatment of Income for Non - Residential Services

When calculating your assessed income we will treat any income in one of three ways:

- taken into account in full
- partly disregarded; or
- fully disregarded.

Income taken fully into account

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

- Most Social Security Benefits
- Annuity Income (except home income plans)
- Income from certain disregarded capital
- Income from insurance policies (except mortgage protection insurance policies, each case will be considered on its own merit) See paragraph below for further information
- Occupational Pensions
- Private Pensions
- Refunds of Income Tax
- Rental Income
- Statutory Maternity Pay
- Statutory Sick pay
- Trust Income
- War orphan's Pension

Social Security Benefits

The Social Security benefits listed below are taken fully into account:

- Attendance Allowance
- Bereavement Benefit
- Carers Allowance
- Constant Attendance Allowance (e.g. when paid as part of War Disablement Pension)
- Disability Living Allowance (Care)
- Employment & Support Allowance
- Exceptionally Severe Disablement Allowance (e.g. when paid as part of War Disablement Pension)
- Incapacity Benefit
- Income Support

- Industrial Death Benefit
- Industrial Injuries Disablement Pension
- Jobseekers Allowance
- Maternity Allowance
- Pension Credit
- Personal Independence Payment (daily living component)
- Pneumoconiosis, Byssinosis and Miscellaneous Diseases Scheme
- Retirement Pension
- Severe Disablement Allowance
- Universal Credit
- Widows Benefit
- Workmen's Compensation (Supplementation)

Where any Social Security benefit payment has been reduced (for example for an earlier overpayment) the amount taken into account will be the amount of benefit before the reduction.

Where any Social Security benefit is in payment and paid for a couple, paid to the person who is requiring care and support, we will disregard 50% of the total weekly amount paid.

Annuity Income

Any income from an Annuity is taken fully into account, except where it is

1. Purchased with a loan, secured on your main or only home, or
2. A gallantry award, such as the Victoria Cross Annuity or George Cross Annuity

In order for us to disregard the annuity under reason (a) above the following must apply:

- One of the annuitants must occupy the property as their main or only home
- You and the other persons taking out of the annuity (if more than one person) must have reached the age of 65 at the time the loan was made
- The terms of the loan was that at least 90% of that loan was to be used to purchase the annuity
- The annuity ends with the life of the last surviving annuitant (if more than one)
- One of the annuitants is liable to pay the interest on the loan
- The loan was secured on a property in Great Britain

Each case will be looked at on its own merits and in line with the Department of Health and Social Care, Care and Support Statutory Guidance, Annex C

Income from private/occupational pensions and annuities

Where either is paid to the person receiving care and support and they are a member of a couple, but where they do not reside in the same property as their partner, they can choose to pay 50% of this income to their partner. If you decide to do this, the Council will only take in to account the remaining 50% in your financial assessment.

Please note:

If the partner remaining at home, receives a means tested State Benefit, they must contact the Department for Work and Pensions, for advice regarding how this may impact on their entitlements.

Pension Reforms

As of April 2015, people have much greater flexibility in how they may wish to choose to take their pension. Depending on the choice they make, will depend on how their pension income is treated for the purpose of care charges. Each case will therefore be looked at on its own merit in line with the Department of Health and Social Care, Care and Support Statutory Guidance, Annex C.

Mortgage Protection Insurance Policies

We will disregard the sum of

- a) The amount which covers the interest on your loan, plus
- b) The amount of the repayment which reduced the amount of capital outstanding,
- plus c) The amount of the premium due on the policy

Example:

Amount received as income from your policy is £100.00 per week

The amount of weekly repayment is £50.00 per week Amount of weekly interest on your loan is £10.00 per week The ongoing weekly premium is £20.00 per week

Total amount to be disregarded = £80.00 per week

The remaining £20.00 per week would be taken in to account as income in your financial assessment.

Income partly disregarded

The Social Security benefits listed below are partly taken into account:

- The first £10 per week of War Widows and War Widowers pension, survivors
- National Socialist persecution (paid under German or Austrian law).
- War Widows Pension – This benefit is subject to a £10.00 per week statutory disregard. However, this benefit may also include a war widow's special payment known as "supplementary pension" this element is fully disregarded.
- Income from sub-letting, the first £20.00 per week will be disregarded with the remaining amount being taken into account
- If you provide board and lodging accommodation (including some meals) then the first £20.00 per week from this income is disregarded and 50% of the remaining income is to be taken into account

Income fully disregarded

The following types of income are fully disregarded:

- Annuity – purchased with a loan secured on your main or only home
- Armed Forces Independence Payments & Mobility Supplement
- Certain charitable and voluntary payments – paid regularly
- Child Support Maintenance Payments and child benefit
- Child Tax Credit
- Christmas Bonus
- Cold Weather Payments
- Council Tax Benefit
- Disability Living Allowance (Mobility)
- Dependency increases paid with certain benefits
- Discretionary Trust
- Earnings from employment
- Expenses paid to voluntary workers
- Gallantry Awards (including payments to the holders of The Victoria Cross, George Cross or equivalent)
- Guardians Allowance
- 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
- Housing Benefit/Local Housing Allowance payments
- Income frozen abroad

- Income in kind
- Pensioners Christmas Payments
- Personal Independence Payment (Mobility)
- Personal Injury Trust (income from)
- Resettlement Benefit
- Savings Credit element of Pension Credit
- Social Fund Payments
- Students – any grants or loans for the purpose of education
- Training payments or allowances
- Winter Fuel Payments
- Working Tax Credit
- any payment made by or derived from:
 - the Macfarlane Trust
 - the Macfarlane (Special Payments) Trust
 - the Macfarlane (Special Payments)(No.2) Trust
 - the Fund (payments to non-haemophiliacs infected with HIV)
 - the Independent Living Fund (up to 30th June 2015)
 - the Independent Living (Extension) Fund
 - Caxton Foundation
 - Eileen Trust
 - MFET Limited
 - Skipton Fund
 - London Bombings Relief Charitable Fund
 - Scottish Infected Blood Support Scheme
 - London Emergencies Trust
 - We love Manchester Emergency Fund
 - Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme

Charitable and voluntary payments

Charitable payments are not necessarily made by recognised charity, but could come from charitable motives. The individual circumstances of the payment will need to be taken into account before making a decision. In general a charitable or voluntary payment which is not made regularly is treated as capital.

Charitable and voluntary payments that are made regularly will be fully disregarded.

Treatment of Higher Rate Attendance Allowance

There are two rates of Attendance Allowance, the higher rate which is paid for day and night care and the lower rate which is paid for either day or night care. The higher rate should only be taken into account where day and night care is being provided by Worcestershire County Council, in all other cases, the difference between the higher rate and lower rate should be disregarded.

Treatment of Highest Rate of Disability Living Allowance (Care)

There are three rates of Disability Living Allowance (Care); the highest rate is paid for day and night care. The higher rate should only be taken into account where day and night care is being provided by WCC, in all other cases, where the higher rate is paid, the difference between the highest and middle rates should be disregarded.

Treatment of Personal Independence Payment (Daily Living Allowance)

There are two rates of Personal Independence Payment (Daily living Allowance), Enhanced and Standard, however, there is no element paid specifically for care needs at night and therefore, the full amount received will be taken fully into account.

For people transferring from Disability Living Allowance (Care) to Personal Independence Payment (Daily living Allowance), will be protected from a rise in their charge as a result of this change.

Rental Income

Where a person owns a property other than their home which is rented out to tenants, the rental income should be taken into account less verifiable amounts for expenses relating to the rental property e.g. Letting Agents fees, property maintenance payments, and utility bills (where these do not form part of the rental agreement). Income Tax and National Insurance payments should also be deducted.

Notional Income

In some circumstances a person may be treated as having income that they do not actually have. This is known as notional income.

Examples of notional income are:

- Benefits or income that would be available on application
- Income that a person has been deemed as depriving themselves of for the purpose of reducing the amount they are liable to pay for their care
- Where a person has reached retirement age and has a personal pension plan but has not purchased an annuity or arranged to draw down the equivalent maximum annuity income, that would be available from that plan.

Where notional income is included in a financial assessment, it will be treated the same way as actual income. Therefore any income that would usually be disregarded will continue to be so. Notional income will be calculated from the date it could be expected to be acquired if an application had been made. We will assume the application was made when we first became aware of the possibility that the income was available.

Attribution of income for a specified period

Payments for regular periods – Where the income is paid at regular intervals, the weekly amount will be calculated as follows:

- income paid for a period of a week, should be taken into account for one week.
- income paid for a calendar month should be multiplied by 12 and divided by 52
- to arrive at the weekly amount.
- Income paid annually should be divided by 52
- Income paid at other regular intervals should be divided by the number of days for which the payment is made and then multiplied by 7

Part B - Appendix 5: Capital

Types of capital

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

Any savings held in:

- Bank Accounts
- Building Society Accounts
- Capital held abroad (unless transfer to UK prohibited)
- Capital held by the Court of Protection or a Deputy appointed by the Court
- Cash
- Co-operative Share Accounts
- Girobank Accounts
- Investment of Income Bonds
- ISA Accounts
- National Savings Bank Accounts
- National Savings Certificates & Ulster Savings Certificates
- National Savings Income Bonds
- PEP Accounts
- Property / Land
- Premium Bonds
- SAYE Schemes
- Stocks and Shares
- Trust Funds
- Unit Trusts

Ownership of capital

A capital asset is normally defined as belonging to the person in whose name it is held, the legal owner.

Where ownership is disputed we will seek written evidence to prove where the ownership lies.

If a person states they are holding the capital for someone else, we will obtain evidence of this arrangement.

Treatment of Joint Accounts

Where a person is a joint owner of capital, unless evidence can be produced to show the allocation of funds held in a joint account is unequal, we will treat 50% of the total balance as belonging to the person requiring care and support.

Capital Limits

Where person receiving care and support has with more than the upper capital limit is liable to pay the full cost charge for their service. If they have more than the upper capital limit there is no need to make a wider assessment of their ability to pay

Capital of less than the lower limit as specified by the Department of Health and Social Care must be disregarded in full.

Tariff income charge on Capital

Where a person has assets between the lower and upper capital limits we will a tariff income. This assumes that for every £250 of capital, or part thereof, a person is able to afford to contribute £1 per week towards the cost of their eligible care needs.

NB: Tariff Income is meant to represent an amount that a user with capital over a certain limit should be able to contribute towards his/her service costs, not the interest earning capacity of that capital

Valuation of capital

The value of any capital, other than National Savings Certificates is the current market value or surrender value, whichever is higher, less 10% of that value if there would be any expenses involved in selling the asset (this does not apply once the asset has been sold, when the actual amount realised from the sale is taken into account.

A capital asset may have a current market value (e.g. stocks and shares or unit trusts) or a surrender value (e.g. premium bonds or National Savings Income Bonds). The current market value will be the price a willing buyer would pay to a willing seller. The way the market value is

obtained will depend on the type of asset held, e.g. the value of stocks and shares or unit trusts are quoted in newspapers.

Where the value of a capital asset is disputed, a professional valuation may be required.

National Savings Certificates

The value of National Savings Certificates is based on the value of the issue on the previous 1st July; or if purchased during that year, the actual purchase price.

Visit www.nsandi.com/products/ilsc/calculator.jsp for latest valuation of index- linked certificates.

Assets held abroad

Where capital is held abroad and all of it can be transferred to the UK, its value in the other country should be obtained and taken into account less any appropriate deductions as per our guidance above. Where capital is held jointly, it should be treated the same as if it were held jointly within the UK. The detail will depend on the conditions for transfer to the UK.

Where the capital cannot be wholly transferred to the UK due to the rules of that country, for example currency restrictions, the Council require evidence confirming this fact. Examples of acceptable evidence could include documentation from a bank, Government official or solicitor in either this country or the country where the capital is held.

Where some restriction is in place, the Council will seek evidence showing what the asset is, what its value is and to understand the nature and terms of the restriction so that should this change, the amount can be taken into account. It should also take into account the value that a willing buyer would pay in the UK for those assets, but be aware that it may be less than the market or surrender value in the foreign country.

Capital not immediately realisable

Capital which is not immediately realisable (e.g. Bank deposit account that requires notice to withdraw amounts) should be taken into account in the normal way at its face value.

Capital Disregarded Indefinitely

The capital assets listed below will be disregarded:

- (a) Property where it is occupied as the main or only home by the person receiving care & support
- (b) The surrender value of any:
 - (i) Life insurance policy; (ii) 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;
- (g) Any payment that may be derived from:
 - (i) The Macfarlane Trust;
 - (ii) The Macfarlane (Special Payments) Trust;
 - (iii) The Macfarlane (Special Payment) (No 2) Trust;
 - (iv) The Caxton Foundation;
 - (v) The Fund (payments to non-haemophiliacs infected with HIV);
 - (vi) The Eileen Trust;
 - (vii) The MFET Trust;
 - (viii) The Independent Living Fund (2006);
 - (ix) The Skipton Fund;
 - (x) The London Bombings Relief Charitable Fund.
 - (xi) Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme
- (h) The value of funds held in trust or administered by a court which derive from a payment for personal injury to the person. For example, the vaccine damage and criminal injuries compensation funds;
- (i) The value of a right to receive:
 - (i) Income under an annuity;
 - (ii) Outstanding instalments under an agreement to repay a capital sum;
 - (iii) Payment under a trust where the funds derive from a personal injury;
 - (iv) Income under a life interest or a life-rent;
 - (v) Income (including earnings) payable in a country outside the UK which cannot be transferred to the UK;

- (vi) An occupational pension;
- (vii) Any rent. Please note however that this does not necessarily mean the income is disregarded. Please see Annex C for guidance on the treatment of income.
- (j) Capital derived from an award of damages for personal injury which is administered by a court or which can only be disposed of by a court order or direction;
- (k) The value of the right to receive any income under an annuity purchased pursuant to any agreement or court order to make payments in consequence of personal injury or from funds derived from a payment in consequence of a personal injury and any surrender value of such an annuity;
- (l) Periodic payments in consequence of personal injury pursuant to a court order or agreement to the extent that they are not a payment of income and are treated as income (and disregarded in the calculation of income);
- (m) Any Social Fund payment;
- (n) Refund of tax on interest on a loan which was obtained to acquire an interest in a home or for repairs or improvements to the home;
- (o) Any capital resources which the person has no rights to as yet, but which will come into their possession at a later date, for example on reaching a certain age;
- (p) Payments from the Department of Work and Pensions to compensate for the loss of entitlement to Housing Benefit or Housing Benefit Supplement;
- (q) The amount of any bank charges or commission paid to convert capital from foreign currency to sterling;
- (r) Payments to jurors or witnesses for court attendance (but not compensation for loss of earnings or benefit);
- (s) Community charge rebate/council tax rebate;
- (t) Money deposited with a Housing Association as a condition of occupying a dwelling;
- (u) Any Child Support Maintenance Payment;
- (v) The value of any ex-gratia payments made on or after 1st February 2001 by the Secretary of State in consequence of a person's, or person's spouse or civil partner's imprisonment or internment by the Japanese during the Second World War;
- (w) Any payment made by a local authority under the Adoption and Children Act 2002 (under section 2(b)(b) or 3 of this act)
- (x) The value of any ex-gratia payments from the Skipton Fund made by the Secretary of State for Health to people infected with Hepatitis C as a result of NHS treatment with blood or blood products;

- (y) Payments made under a trust established out of funds provided by the Secretary of State for Health in respect of persons suffering from variant Creutzfeldt-Jakob disease to the victim or their partner (at the time of death of the victim);
- (z) Any payments under Section 2, 3 or 7 of the Age-Related Payments Act 2004 or Age Related Payments Regulations 2005 (SI No 1983);
- (aa) Any payments made under section 63(6)(b) of the Health Services and Public Health Act 1968 to a person to meet childcare costs where he or she is undertaking instruction connected with the health service by virtue of arrangements made under that section;
- (bb) Any payment made in accordance with regulations under Section 14F of the Children Act 1989 to a resident who is a prospective special guardian or special guardian, whether income or capital.

Capital Disregarded For 26 weeks

The following capital assets will be disregarded for at least 26 weeks in the financial assessment. However, we may choose to apply the disregard for longer where we considers this appropriate.

- a) Assets of any business owned or part-owned by the person in which they were a self-employed worker and has stopped work due to some disease or disablement but intends to take up work again when they are fit to do so. Where the person is in a care home, this should apply from the date they first took up residence
- b) Money acquired specifically for repairs to or replacement of the person's home or personal possessions provided it is used for that purpose. This should apply from the date the funds were received.
- c) Property other than the property you live in as you main or only home, under certain specified circumstances – see Appendix 6
- d) Capital received from the sale of a former home where the capital is to be used by the person to buy another home. This should apply from the date of completion of the sale.
- e) Money deposited with a Housing Association which is to be used by the person to purchase another home. This should apply from the date on which the money was deposited.
- f) Grant made under a Housing Act which is to be used by the person to purchase a home or pay for repairs to make the home habitable. This should apply from the date the grant is received.

Capital Disregarded For 52 weeks

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

- (a) The balance of any arrears of or any compensation due to non-payment of:
 - (i) Mobility supplement
 - (ii) Attendance Allowance
 - (iii) Constant Attendance Allowance
 - (iv) Disability Living Allowance / Personal Independence Payment
 - (v) Exceptionally Severe Disablement Allowance
 - (vi) Severe Disablement Occupational Allowance
 - (vii) Armed forces service pension based on need for attendance
 - (viii) Pension under the Personal Injuries (Civilians) Scheme 1983, based on the need for attendance
 - (ix) Income Support/Pension Credit
 - (x) Minimum Income Guarantee
 - (xi) Working Tax Credit
 - (xii) Child Tax Credit
 - (xiii) Housing Benefit
 - (xiv) Universal Credit
 - (xv) Special payments to pre-1973 war widows.

As the above payments will be paid for specific periods, they should be treated as income over the period for which they are payable. Any money left over after the period for which they are treated as income has elapsed should be treated as capital.

- (b) Payments or refunds for:
 - (i) NHS glasses, dental treatment or patient's travelling expenses;
 - (ii) Cash equivalent of free milk and vitamins;
 - (iii) Expenses in connection with prison visits.
- (c) Personal Injury Payments.

Capital Disregarded For 2 years

We will disregard payments made under a trust established out of funds by the Secretary of State for Health in respect of vCJD to:

- a) A member of the victim's family for 2 years from the date of death of the victim (or from the date of payment from the trust if later); or
- b) A dependent child or young person until they turn 18

Other Disregards

In some cases a person's assets may be tied up in a business that they own or part own. Where a person is taking steps to realise their share of the assets, these should be disregarded during the process. However, the person should be required to show that it is their clear intention to realise the asset as soon as practicable. In order to show their intent, the local authority should request the following information:

- (a) A description of the nature of the business asset;
- (b) The person's estimate of the length of time necessary to realise the asset or their share of it;
- (c) A statement of what, if any, steps have been taken to realise the asset, what these were and what is intended in the near future; and
- (d) Any other relevant evidence, for example the person's health, receivership, liquidation, estate agent's confirmation of placing any property on the market.

Where the person has provided this information to show that steps are being taken to realise the value of the asset, we will disregard the value for a period that we considers to be reasonable.

In deciding what is reasonable we will take into account the length of time of any legal processes that may be needed.

Where the person has no immediate intention of attempting to realise the business asset, its capital value should be taken into account in the financial assessment. Where a business is jointly owned, this should apply only to the person's share.

Treatment of Investment Bonds

Bonds may be either capital or income. If there is a life interest or an annuity income it should be treated as income. If the Bond has a life assurance policy attached, or a whole of life assurance section included in the agreement, the total value should be disregarded from the assessment in full even if there is no income generated from it.

Treatment of Trust Funds

This section does not apply to the MacFarlane Trust, the Macfarlane (Special Payments) Trust, the MacFarlane (Special Payments) (No.2) Trust, the Eileen Trust.

What is a Trust?

A trust is an arrangement for one person or a group of people (the trustee(s)) to hold and administer capital in the form of money or property for the benefit of another person or group of people (the beneficiary (ies)).

Examples of capital that might be held on trust are:

- Money awarded by a court as compensation
- Proceeds of a separation or divorce settlement
- Money set aside by parents to ensure a regular income for a person who is unable to support himself by reason of illness or disability
- A bequest under a will

Trustees

Trustees may be:

- The Public Guardian/Trustee
- The Court of Protection
- A professional person such as a solicitor
- The parents of a beneficiary who cannot act for himself
- Any other responsible person, perhaps appointed under the terms of a will

Trustees' powers are governed by:

- (a) the terms of any trust deed;
- (b) the law of equity; and

- (c) the Trustee Act 1925 or the Administration of Estates Act 1925 in England and Wales or the Succession (Scotland) Act 1964 in Scotland

Identifying a trust

A trust is usually set up by means of a trust deed. The deed sets out the terms of the trust, and will contain details of the beneficiaries, the amount by which they should benefit and when payment or payments should be made. The Trust deed could be in the form of a will or Deed of Settlement.

We may refer copies of Trust documents to the Council's Legal department for advice.

Discretionary trusts

Where capital and income can only be made available to you at the discretion of the trustees, the capital and income will be disregarded unless it is clear that the trustees will make monies available to you – for example if a regular payment is made by the trustees to the beneficiaries.

Evidence required:

We will need to see copy of the trust document and details of historic payments.

Compensation for personal injury

If you have received compensation as a result of personal injury and any payment is placed in a 'Personal Injury Trust' the capital and any income derived from the trust will be disregarded.

Evidence required:

Copy of the Personal Injury Trust document.

All Other Trust Funds

These will be looked at individually, however if the capital (or income from the trust) would be available to you on application you will be treated as possessing that capital or income.

Evidence required:

Copy of the Trust document.

Notional Capital

In some circumstances a person may be treated as possessing a capital asset even where they do not actually possess it. This is called notional capital.

Notional capital may be capital which:

- (a) would be available to the person if they applied for it;
- (b) is paid to a third party in respect of the person;
- (c) the person has deprived themselves of in order to reduce the amount of charge they have to pay for their care.

A person's capital should therefore be the total of both actual and notional capital.

However, if a person has actual capital above the upper capital limit, it may not be necessary to consider notional capital.

Capital treated as Income

The following capital payments should be treated as income.

- a) Any payment received from an annuity
- b) Capital paid by instalment where the total of
 - i. The instalments outstanding at the time when the person is assessed as needing care and support and
 - ii. The total amount of instalments outstanding plus other capital held is in excess of £16,000. If the total is under £16,000 each instalment will be treated as capital.

Income treated as capital

The following types of income will be treated as capital:

- (a) Any refund of income tax charged on profits of a business or earnings of an Employed earner; Any holiday pay payable by an employer more than 4 weeks after the termination or interruption of employment;

- (b) Income derived from a capital asset, for example, building society interest or Dividends from shares. This should be treated as capital from the date it is normally due to be paid to the person. This does not apply to income from certain disregarded capital;
 - (c) Any advance of earnings or loan made to an employed earner by the employer if the person is still in work. This is as the payment does not form part of the employee's regular income and would have to be repaid;
 - (d) Any bounty payment paid at intervals of at least one year from employment as:
 - i. A part time fireman;
 - ii. An auxiliary coastguard;
 - iii. A part time lifeboat man;
 - iv. A member of the territorial or reserve forces.
 - (e) Charitable and voluntary payments which are neither made regularly nor due to be made regularly, apart from certain exemptions such as payments from AIDS trusts. Payments will include those made by a third party to the person to support the clearing of charges for accommodation.
 - (f) Any payments of arrears of contributions by a local authority to a custodian towards the cost of accommodation and maintenance of a child.
-

Capital available on application

In some instances a person may need to apply for access to capital assets but has not yet done so. In such circumstances this capital will be treated as already belonging to the person except in the following instances:

- (a) Capital held in a discretionary trust;
- (b) Capital held in a trust derived from a payment in consequence of a personal injury;
- (c) Capital derived from an award of damages for personal injury which is administered by a court;
- (d) Any loan which could be raised against a capital asset which is disregarded, for example the home.

The Council will need to distinguish between:

- (a) Capital already owned by the person but which in order to access they must make an application for. For example:

- (i) Money held by the person's solicitor;
 - (ii) Premium Bonds;
 - (iii) National Savings Certificates;
 - (iv) Money held by the Registrar of a County Court which will be released on application; and
- (b) Capital not owned by the person that will become theirs on application, for example an unclaimed Premium Bond win. This should be treated as notional capital.
-

Deprivation of Capital

We may consider that you have deprived yourself of a capital asset in order to reduce your contribution towards your care.

If this is the case we may treat you as still possessing the asset. The following factors will need to be considered.

- If your capital has significantly reduced in the last 12 months, you may be asked to provide evidence as to how the money has been spent. This could be in the way of receipts for the purchased items in addition to providing complete bank statements.

We will need to decide if you have deliberately deprived yourself of capital. When making this decision we consider:

- The timing of the disposal and
- Reasons for disposal

Examples of where a person has deprived themselves of capital:

- A lump-sum payment has been made to someone else (e.g. as a gift or to repay a debt)
- Substantial expenditure has been incurred (e.g. on an expensive holiday)
- The title deeds of a property have been transferred to someone else
- Money has been put into a trust which cannot be revoked
- Money has been converted into another form which would fall to be disregarded (e.g. personal possessions)
- Capital has been reduced by living extravagantly (e.g. gambling or following a much higher standard of living than the resident could normally afford)
- Capital has been used to purchase an investment bond with life insurance

This list is not exhaustive and each case will be looked at on its own merit.

For further information please refer to Worcestershire County Councils Deliberate Deprivation Policy

Part B - Appendix 6: Treatment of Property for Non-Residential Services

The property you live in

The value of the house which you normally occupy as your own or main home will not be taken into account, when you are assessed as needing care and support in a setting other than a care home.

Other Property or Land

Where you own property or land other than your main or only home, it will be taken into account based on the current value of the property/land after deducting any outstanding mortgage/loans and allowing 10% of the value for the cost of sale.

Jointly Owned

Where a property is jointly owned, except where there is evidence that the person owns an unequal share, the total value of the property will be divided equally between the joint owners.

The value of the person's share will be treated as capital and taken into account within the financial assessment, minus 10% which would cover any sale costs, any outstanding mortgage the person is responsible for, less the lower capital limit.

Circumstances where the property may be temporarily disregarded

If you have left your former home or main residence following a relationship breakdown, we may consider disregarding the property for up to 6 months from the date you left.

We may consider disregarding the property for longer if your dependent children aged under 16 years of age still resides in your former home.

You may be asked to provide Legal documents and correspondence to confirm the situation.

Where you have had to leave the property to enable essential repairs, alterations or adaptations to be carried out so that you can return to the property and continue to live there, in these cases, we will disregard the property for up to 6 months, or longer in exceptional cases.

You may be asked to provide evidence to show such work is required and being undertaken.

If you have acquired a property that you intend to occupy as your main or only home, but have not yet moved in to, the property is disregarded for 6 months or longer, if it is reasonable, from the date you first take steps to move in to that property, for example from the date you first take legal advice or proceedings commence to obtain possession of that property.

Where you have vacated your former home and you are taking reasonable steps to dispose of the property, we will disregard the property for up to 6 months, or up to the date it is sold.

You will be asked to provide evidence to show that you are making effort to sell the property; we may ask to see proof that you have instructed an Estate Agent or Auctioneer to help you achieve this.

Where the property is let to tenants, its value is not disregarded. It is treated as capital. The income from letting the property will not be taken into account.

Part B - Appendix 7: Allowable Household Expenditure

What is household expenditure?

Household expenditure is the cost incurred by you whilst maintaining your home.

What expenditure can be taken into account?

We can only allow housing costs if you are the householder and will not allow any housing costs if you live with a member of your family as part of their household.

The following items of expenditure can be taken into account in your financial assessment calculation , but only the amount or percentage that you are liable to pay (for example where there is more than one occupant in the property and any household expenditure would be split equally between all occupants).

- Council Tax (net of Council Tax Benefit)
- Rent (net of Housing Benefit/Local Housing Allowance) where there is a formal tenancy agreement in place. This also applies to those in Extra Care settings, for the rent element of their charge
- Mortgage Payments or Loans secured on your property (unless paid through
- Income Support/Pension Credit)
- Buildings Insurance payments relating to your home you live in
- Ground Rent
- Service Charge Payments (not covered by Income Support/Pension Credit/Housing Benefit or Local Housing Allowance). This also applies to those in Extra Care settings, for the service charge element.

Evidence Required

We may ask you to provide evidence of any of the above payments you make on your home. This could be by way of either bank statements showing the payment you make, or bills or correspondence from the relevant company or tenancy agreements.

For those people in Extra Care settings we will require a full breakdown of payments relating to the individual scheme.

What expenditure cannot be taken into account?

There are some expenses that you incur, that we cannot allow.

This is because they are deemed to be a lifestyle choice rather an essential cost to maintain your home.

Some examples of these costs are:

- Sky TV & Other Digital Suppliers
- TV License
- Telephone Bills
- Internet (this may be considered as a Disability Related Expense in certain circumstances – see appendix 8)
- Central Heating Maintenance Contracts
- Contents Insurance
- Rent paid to a family member when living as part of their household
- Amenity charges for those people in Extra Care settings

This list is not exhaustive.

Part B - Appendix 8: Disability Related Expenditure

This list is not exhaustive. Below are for example only, all cases are considered on a case-by-case basis:

TYPE OF EXPENDITURE	ALLOWED	NOT ALLOWED	REASONABLE WEEKLY ALLOWANCE	EVIDENCE REQUIRED
Community Alarm System	<input type="checkbox"/> Required for safety & wellbeing	<input type="checkbox"/> Not if paid for by Housing Benefit or Supporting People Grant	Actual costs up to £8.00 pw before verification is required	Actual bill / invoice from provider or proof of payment
Privately Arranged Care	<input type="checkbox"/> Only if WCC not funding & the need has been identified by the Social Worker in the care plan (in exceptional circumstances this may be to a family member of friend living in the same household)	See notes in column 2	Hourly costs considered but limited to the amount that Council would pay to provide the equivalent care. Must be identified in care plan.	Receipts or invoices for at least 4 weeks
Internet provider costs (line rental only)	<input type="checkbox"/> Only if this is identified in your care and support plan as a requirement due to your disability, e.g. for blind or partially sighted people in order to help independence	<input type="checkbox"/> Access has to be as a result for your disability and not for day to day web browsing, social media etc.	Up to a maximum of £10.00 per week towards line rental costs	Receipts or invoices for at least 4 weeks
Gardening	<input type="checkbox"/> Unreasonable to expect an elderly or disabled service user to maintain	<input type="checkbox"/> If provided by a family member or friend <input type="checkbox"/> Service User or any member of the household is able to maintain the garden but chooses to have a gardener instead	Actual costs up to £8.43pw	Receipts or invoices for at least 4 weeks
Cleaning	<input type="checkbox"/> Unreasonable to expect an elderly or disabled service user to maintain (includes cleaning, ironing and shopping)	<input type="checkbox"/> If provided by a family member or friend	Actual costs up to £22.19pw	Receipts or invoices for at least 4 weeks
Laundry	<input type="checkbox"/> Only allowable if more than 2 loads per person in the household is required	<input type="checkbox"/> Cost of washing machine insurance and maintenance <input type="checkbox"/> Cost of detergents	£1.39 per wash up to a maximum of £10.14 pw	Need should be identified in your care plan

TYPE OF EXPENDITURE	ALLOWED	NOT ALLOWED	REASONABLE WEEKLY ALLOWANCE	EVIDENCE REQUIRED
Incontinence Aids	<input type="checkbox"/> Only allowable if full free health provision is exceeded <input type="checkbox"/> Cost of mattress protector / sheets	<input type="checkbox"/> Where they are provided by the NHS	Actual costs up to £11.09 pw	Need should be identified in your care plan & 1 months receipts as proof of purchase
Bedding	<input type="checkbox"/> If identified as a need in the care plan due to incontinence, sickness or creams	<input type="checkbox"/> Replacement mattress or bed	£2.51pw	Need should be identified in your care plan
Dietary	<input type="checkbox"/> We will consider the cost of specialised food items, where it has been prescribed by your GP	<input type="checkbox"/> A low fat, high fibre healthy diet is not a special dietary requirement <input type="checkbox"/> Fresh fruit & vegetables are classed as part of a normal healthy diet <input type="checkbox"/> We would not allow additional amounts for diabetic foods without confirmation from your GP, as diabetes can be controlled by a normal healthy diet <input type="checkbox"/> Meals on wheels & ready meals	Additional costs only considered where the special diet is as a result of the disability. Single person – up to a maximum of £59.28 pw	Need should be identified in your care plan & evidence from your GP
Specialised Clothing & Footwear	<input type="checkbox"/> Where clothing is specially made or where alterations need to be made <input type="checkbox"/> Costs of special shoes where they are not paid for by the NHS	<input type="checkbox"/> Normal clothing & footwear <input type="checkbox"/> Larger sized clothing <input type="checkbox"/> Cost of special clothing if in receipt of War Disablement Pension, as this includes an allowance for clothing & is not taken into account	Actual costs up to a maximum of £12.45 pw	Need should be identified in your care plan
Wear & tear on clothing &	<input type="checkbox"/> Due to your illness or disability, it is	<input type="checkbox"/> General wear & tear		Need should be identified in

footwear	reasonable that certain items of clothing would need to be replaced more frequently, e.g. incontinence problems or excess wear due to wheelchair use		Actual costs up to a maximum £12.45pw	your care plan
----------	--	--	---------------------------------------	----------------

TYPE OF EXPENDITURE	ALLOWED	NOT ALLOWED	REASONABLE WEEKLY ALLOWANCE	EVIDENCE REQUIRED
Wear & tear on property	<input type="checkbox"/> Cost of replacement furniture & fixtures due to exceptional wear & tear due to disability e.g. damage by a wheelchair <input type="checkbox"/> Cost of repairs to a home for damage caused by disability e.g. damage by a wheelchair	<input type="checkbox"/> Cost of replacement furniture & fixtures for any other reason <input type="checkbox"/> Cost of ordinary redecoration & repairs <input type="checkbox"/> Where household insurance would cover the repair	Actual costs up to a maximum of £18.25 pw	Need should be identified in your care plan
Prescription Charges	<input type="checkbox"/> If you have to pay for regular / repeat prescriptions, we can allow for the actual cost or cost of annual pre paid prescription <input type="checkbox"/> Private prescription costs considered only where the drug has been prescribed by your GP as essential but the NHS are unable to provide it	<input type="checkbox"/> Where you are in receipt of a means tested benefit or exemption certificate	Actual costs	Proof of payment
Transport	<input type="checkbox"/> Essential journeys in relation to educational or therapeutic reasons, e.g. travel to college for those who are attending a course specific to their learning disabilities	<input type="checkbox"/> Travel costs to hospital appointments <input type="checkbox"/> Travel to GP appointments <input type="checkbox"/> Dial a ride <input type="checkbox"/> Taxi fares	Actual costs considered on sight of receipts. Where Disability Living Allowance Mobility Component is paid, we would only allow the cost that exceeds the rate paid	3 months Receipts
Metered Water	We can allow any cost of metered water that	Any amount up to the average usage:	Costs above average annual	Last 12 months bills

	exceeds the average usage for a property in this area	- Flat/Terraced – £401.23 per year - Semi-Detached – £446.74 per year - Detached – £503.63 per year	usage, divided by the number of occupants in household	
--	---	---	--	--

TYPE OF EXPENDITURE	ALLOWED	NOT ALLOWED	REASONABLE WEEKLY ALLOWANCE	EVIDENCE REQUIRED
Heating & Electricity	Any costs above the average consumption for the area and housing type, due to illness or disability	<input type="checkbox"/> Average usage <input type="checkbox"/> Winter Fuel Payment (where paid) will be not be disregarded but taken into account in your assessment	1 to 2 bedroom Properties £1261.04 PA 3-4 bedroom Properties £1738.38 PA	Last 12 months bills
TV Rental Sky TV & Other Digital TV Suppliers		<input type="checkbox"/> Not a disability related expenditure		Not applicable
Window Cleaning		<input type="checkbox"/> Not a disability related expenditure		Not applicable
Hairdressing		<input type="checkbox"/> Not a disability related expenditure		Not applicable
Private Day Care & Club Fees	<input type="checkbox"/> If highlighted as a need in the support plan & must be disability related	<input type="checkbox"/> Not if it is allowed as part of your Personal Budget	certificate	Actual costs if deemed reasonable
Collection or delivery of shopping		Will be considered as part of domestic & cleaning requirements, see above		4 weeks of receipts or invoices
Dental Treatment & Dentures		Not a disability related expenditure Free NHS treatment to those on a means tested benefit or an exemption		Not applicable

TYPE OF EXPENDITURE	ALLOWED	NOT ALLOWED	REASONABLE WEEKLY ALLOWANCE	EVIDENCE REQUIRED
Cost of Opticians & Glasses		<input type="checkbox"/> Not a disability related expenditure <input type="checkbox"/> Free NHS treatment to those on a means tested benefit or an exemption certificate		Not applicable
Chiropody	<input type="checkbox"/> If treatment is essential as a result of your illness or disability, we would require evidence from GP to show that it is required and is not being provided by the NHS	<input type="checkbox"/> Not a disability related expenditure <input type="checkbox"/> Manicures & pedicures not allowed	Actual costs	Letter from GP & last 4 receipts
Wigs & Hair Pieces		<input type="checkbox"/> Not a disability related expenditure		Not applicable
Pet Costs		<input type="checkbox"/> Not a disability related expenditure		Not applicable
Telephone, Mobile phone		<input type="checkbox"/> Not a disability related expenditure		Not applicable
Alternative Therapy Treatments	<input type="checkbox"/> Only if confirmed by your GP that this is required as a result of your disability & illness & it is essential	<input type="checkbox"/> Not allowable if not medically recommended by a Health Professional	Actual cost for treatment per calendar month	Letter from GP & last 4 receipts
Private Health Care		<input type="checkbox"/> Not a disability related expenditure, considered to be a lifestyle choice		Not applicable
Holidays	<input type="checkbox"/> We will consider the additional cost for a carer (not including a family member or friend) to accompany you	<input type="checkbox"/> Actual costs not allowed	Reasonable actual cost for 1 carer only, for one holiday per year in any 12 month period	Proof of payment showing breakdown of holiday costs
Life Insurance		<input type="checkbox"/> Not a disability related expenditure		Not applicable
Funeral Cost / Fund or pre payment plan		<input type="checkbox"/> Not specific to someone with a disability or illness		Not applicable

TYPE OF EXPENDITURE	ALLOWED	NOT ALLOWED	REASONABLE WEEKLY ALLOWANCE	EVIDENCE REQUIRED
---------------------	---------	-------------	-----------------------------	-------------------

Gym Membership	<input type="checkbox"/> Not a disability related expenditure			Not applicable
Corporate Appointee / Deputy annual fees	We will consider the annual fees where a corporate body has been appointed	<input type="checkbox"/>	Actual annual fee divided by 52 weeks	Invoice from corporate body

This list is not exhaustive. Should you feel that you incur a cost in excess of the weekly allowable amount, this will be considered on production of supporting evidence which you will be asked to provide.

PURCHASE & MAINTAINENCE OF DISABILITY RELATED EQUIPMENT

☐ To be considered on proof of purchase only

ITEM	ALLOWED	NOT ALLOWED	REASONABLE WEEKLY ALLOWANCE
Purchase of Wheelchair	<input type="checkbox"/> Cost allowed over a 10 year period (520 weeks) up to the maximum weekly allowance	<input type="checkbox"/>	Manual - £5.10pw Powered - £12.38pw
Powered Bed	<input type="checkbox"/> Cost allowed over a 10 year period (520 weeks) up to the maximum weekly allowance	<input type="checkbox"/>	£5.63pw
Turning Bed	<input type="checkbox"/> Cost allowed over a 10 year period (520 weeks) up to the maximum weekly allowance.	<input type="checkbox"/>	£9.86pw
Powered Reclining Chair	<input type="checkbox"/> Cost allowed over a 10 year period (520 weeks) up to the maximum weekly allowance.	<input type="checkbox"/>	£4.47pw

ITEM	ALLOWED	NOT ALLOWED	REASONABLE WEEKLY ALLOWANCE
Stair Lift	<input type="checkbox"/> Cost allowed over a 10 year period (520 weeks) up to the maximum weekly allowance.	<input type="checkbox"/>	£7.96pw

Hoist	<input type="checkbox"/> Cost allowed over a 10 year period (520 weeks) up to the maximum weekly allowance.	<input type="checkbox"/>	£3.91pw
Maintenance Contracts & Insurance	<input type="checkbox"/> Only where item is still owned	<input type="checkbox"/>	Actual cost

End of document