

NEWPORT CITY COUNCIL

RESIDENTIAL CARE CHARGING POLICY INFORMATION LEAFLET

Introduction

The Care and Support (Charging) (Wales) Regulations 2015 set out the requirements which local authorities must follow when making a determination of the amount of the charges which apply in relation to care and support which they are providing or arranging or propose to provide or arrange in the course of carrying out their functions under Part 4 of the Social Services and Well-being (Wales) Act 2014

The Social Services and Well-being (Wales) Act 2014 is available at:
<http://www.legislation.gov.uk/anaw/2014/4/enacted>

Local Authorities must ensure people are not charged more than it is reasonably practicable for them to pay for their services and must not be charged more than the cost to the authority of providing or arranging the care and support they are receiving or which they are to obtain themselves through direct payments.

Charging for Residential Care

If you have been assessed by Social Care Services as needing temporary or long term residential or nursing care, we have to carry out a financial assessment.

Calculating the Assessed Charge

We will work out your assessed charge by looking at your income and capital. The assessed charge is then calculated by adding together your total income minus the personal allowance set by the Welsh Government

When calculating your contribution, we ignore any capital under £50,000.00. If you have £50,000.00 or over in capital, you will be required to pay the full cost of your care. In general, most of your income, including social security benefits, counts towards the cost of your care. If you have a husband or wife living at home, you will be asked whether you intend passing half of any occupational (private) pension to him or her. The information on the financial assessment form will be used to work out how much you need to pay each week towards your care costs (weekly assessed charge) and the balance of any care costs not met by your weekly assessed charge will be met by the Council.

Benefits

Not all of the benefits you receive will continue to be paid when you go into residential care. If the Council is contributing towards your care costs and you are in receipt of Attendance Allowance, Disability Living Allowance (care component) or Personal Independence Payments (daily living component) this will cease four weeks after your admission to care. Unless you have recently been in respite or hospital, in which case it maybe sooner.

If the Council is not paying any contribution, you remain fully entitled to these benefits. If you are in receipt of Disability Living Allowance (mobility component) or Personal Independence Payment (mobility component) this will continue to be paid but will not be taken into account when working out your weekly assessed charge

If you are claiming Income Support, Pension Credit or Universal Credit you need to report the change in your circumstances to the Department for Work and Pensions.

From 10 April 2023 the amount that you may keep for your own personal needs is £39.50 per week. This amount is set annually by the Welsh Government. You can also retain up to a further £5.75 as a single person if you are over 65 and are eligible to receive Pension Credit.

Property

If you own your home, we will usually take its value into account when calculating how much you have to pay for your residential care. There are, however, some important exceptions to this rule. The value of your home will be disregarded as capital if you are only entering the home temporarily or if one of the following people is still living there:

- Occupied by the partner, former partner or civic partner (except where the resident is estranged or divorced)
- a relative who is under 16, and who you have to support by law
- a relative who is over 60 years of age
- a relative who is incapacitated

If you have capital, including property, valued at £50,000 or over you will be asked to pay the full charge for your care. If the value of your home is taken into account as capital/savings, you may not have enough income or other savings to meet the full costs of your residential care. In these circumstances, you may need to consider selling your home in order to pay the fees.

During the first 12 weeks of your residential care, we will disregard the value of your property and it will not be used when calculating your weekly assessed charge. After 12 weeks the value of your property will be taken into account as savings/capital, and if this amounts to £50,000 or over you will be asked to pay the full charge for your care. However, if you sell your home during the 12-week period you will start to pay the full costs of your care as soon as it is sold.

Deferred Payment Agreements

If you do not have enough money to pay your contribution to your care fees because you have not yet sold your home, we will allow you to delay making your payments.

There are two types of Deferred Payment Agreements: Mandatory and Discretionary

Most people are eligible to enter a **mandatory deferred payment agreement**.

This means the Council will be giving you a loan to pay for your care fees so you will pay the **FULL COST of your fees pending the sale of your property**. The legislation regarding this arrangement is detailed in the Social Services and Well-being (Wales) Act 2014; Parts 4 & 5 of the Code of Practice (Charging & Financial Assessment.) Annex D – Deferred Payment Agreement.

Until your house is sold you will only be expected to pay care charges from your current income. When the house has been sold or when your estate is wound up, we will expect you to reimburse Newport City Council the shortfall between the full cost of your care, less the payments you have made from your income. We will place a legal charge on your property under Section 71 of the Social Services and Wellbeing (Wales) Act 2014 and we will refer your details to the Legal department to initiate this process.

The Council will charge an administration fee of £210.00 to cover the costs of securing the legal charge on your property, however **interest will not be charged during the period of the mandatory deferred payment agreement**. Please note that where outstanding care charges are secured by a legal charge under Section 71 of the 2014 Act, the Council can charge interest (currently at rate of 3% above the base rate) from the date of your death until any outstanding residential care charges are fully repaid. Interest is only applied if the accrued property charges remain unpaid after your passing and will be claimed your estate.

In rare cases, for example if you wish to have a higher personal spending allowance or pay your own additional cost, you may be eligible to enter into a **discretionary deferred payment agreement**. This means the Council will be giving you a loan, which you will only pay back when you sell your home or when your estate is wound up. There is an administration charge for setting up the deferred payments agreement and **interest will be charged during the period of the discretionary deferred payment agreement**. The interest charged will be at 0.15% above the Market Gilts Rate as specified in the most recently published Economic and Fiscal Outlook Report.

In order to qualify for either scheme, you must meet certain eligibility criteria and more information on this can be found in the Deferred Payments Information Leaflet. If your request for deferred payments is granted, we would advise you to seek independent financial advice before you finalise the arrangements and you must ensure your property is appropriately insured and maintained. If we are unable to offer you a deferred payment, we will give you our reason(s) in writing.

Transferring or Gifting Assets

If a person gives away their home, savings or other assets before going into residential/ nursing care or when already living there, we must investigate the circumstances in detail. We must also examine any sale of an asset at less than its true market value. As we have a duty to protect public funds, we must investigate and decide if a significant reason for the disposal was a desire to avoid paying for, or towards, residential or nursing care. If we decide that a factor in the decision to give away or sell an asset at less than its market value was to avoid paying fees or reduce the amount payable, the law allows us to take action. Depending upon the circumstances, we can either assess you as still owning the asset(s), or require the person to whom you gave the property to contribute towards your fees

Short Term Care

If you are going into a residential or nursing home for respite/short term care up to a maximum of 8 weeks, the charging rules changed in April 2016. This means that if you are assessed as requiring respite/short term care you will be charged as if you were receiving care at home, and the maximum you will pay is £100.00 per week

Choosing More Expensive Accommodation

If the care home you choose costs more than the Council would normally pay, and there are places available elsewhere that would meet your needs, you can still move to your first choice care home, if a family member or friend is prepared to pay the difference. This is called additional costs (third party top-up). If there comes a time when your third party can no longer afford the additional cost (top-up), you can ask for a re-assessment of your needs. If this happens – and the assessment shows that a less expensive home locally would meet your needs, we may ask you to move there.

If your Circumstances Change

If your circumstances have changed and you require advice, please contact the Income Assessment Team on 01633 656656. Changes can include:

- Increase/decrease in income or capital, e.g., if it falls below £50,000.
- A property that was previously disregarded no longer falls within the disregard criteria, e.g., a relative who is over 60 years of age moves out. How will I be told how much to pay?

What if I refuse to give any information?

You do not have to disclose details of your financial affairs, but if you choose not to, you will be charged the full cost of your placement. By telling us your financial circumstances, you may be assessed to pay a lower charge.

- This capital level is changed on an annual basis every April in line with Welsh Government guidance.

Once your income has been assessed, we will write to you with details of how your charge has been calculated.

How do I pay

- Payment can be made by Direct Debit or Standing order directly from your bank.
- By Debit or Credit Card - If you need to speak to an advisor and you have a debit card then you can pay your invoice by telephoning the Council on 01633 210710, 210706 or 210709. Please ensure you have all your details at hand including your reference number.
- Via Your Bank - Please Quote: Bank Sort Code 09 07 20 Bank Account Number 05070406 and your reference number from your invoice. N.B. Payments will only be considered to have been made when the credit has been cleared through the City Councils Bank Account.
- By Post - Please send your cheque or postal order made payable to Newport City Council to

Newport City Council
PO Box 886
Newport
NP20 9LU

- Pay Point and Post Office – at Post Offices, Local Newsagents & Other Shops Offering the Pay Point service. Present your invoice and payment will be taken using the bar code system. You can also use cheque, card or cash at the Post Office however please be aware that it is CASH ONLY at other Locations

What can you do if you feel that you have been treated unfairly?

We have a review process, if you think that the charge has been calculated incorrectly or if you feel that the level of charge set will cause financial hardship. Please contact the Finance Team on 01633 656656 for further information.