LUTON BOROUGH COUNCIL

Charging Policy for Non Residential Services

9 April 2018
Luton Borough Council Non Residential Charging Policy

1. Background

The Care Act provides a single legal framework for charging for care and support under sections 14 and 17 of the Care Act 2014. 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 or a carer’s support needs. Where a local authority arranges care and support to meet a person’s needs, it may charge the adult, except where the local authority is required to arrange care and support free of charge. The new framework is intended to make charging fairer and more clearly understood by everyone. 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-test and some will be entitled to free care. The framework is therefore based on the following principles that local authorities should take into account when making decisions on charging. The principles are that the approach to charging for care and support needs should:

- ensure that people are not charged more than it is reasonably practicable for them to pay
- be comprehensive, to reduce variation in the way people are assessed and charged
- be clear and transparent, so people know what they will be charged
- promote wellbeing, social inclusion, and support the vision of personalisation, independence, choice and control
- support carers to look after their own health and wellbeing and to care effectively and safely
- be person-focused, reflecting the variety of care and caring journeys and the variety of options available to meet 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
- encourage and enable those who wish to stay in or take up employment, education or training or plan for the future costs of meeting their needs to do so
- be sustainable for local authorities in the long-term
Alongside this, Luton Borough Council will ensure there is sufficient information and advice available in a suitable format for the person’s needs, in line with the Equality Act 2010 (in particular for those with a sensory impairment, with learning disabilities or for whom English is not their first language), to ensure that they or their representative are able to understand any contributions they are asked to make.

2. Services and circumstances where no charge is made

Some services are excluded from the charging process altogether where there is no legal authority to charge. In addition there may be exclusions of groups of people which, when applied, mean that an individual is exempt from the calculated charge. Examples of exclusions include:

- After-care services under the Mental Health Act (Section 117).
- Sufferers of CJD.
- Any customers whose income is less than basic Income Support / Pension Credit + 25%.
- Individuals receiving intermediate care or re-ablement services for up to 6 weeks.
- Any services funded by the Local Health Authority (Section 28A).
- Occupational Therapy/Equipment.
- Drop-in services that do not require a Community Care Assessment.
- Sitting Service up to 4 hours per week.

2.1. In exceptional circumstances, where a customer is deemed to be at risk to themselves or others, the Service Director of Adult Social Care may agree to waive any charge payable under this policy.

2.2. At present Carers are not charged for services provided to them under the Carers and Disabled Children’s Act 2000 (e.g. First 4 hours of sitting services).

3. Services for which Luton Borough Council will charge in accordance with the Non Residential Charging Policy

3.1. The following services are charged and assessed in accordance with the Non Residential charging policy:

- Chargeable elements of the personal budget allocation
- Personal home care
- Care provided under “Supported Living”
- Care provided under “Shared Lives”
- Day services
- Direct payments
- Some respite services
4. Non Residential Charging Financial Assessment

4.1. To ensure that everyone is treated fairly every customer will be offered a financial assessment at the point where they are assessed as needing help from Adult Social Care Services. The charging assessment will be based on the customers overall income, certain allowable housing expenditure and costs relating to disability or ill health.

4.2. The completion of financial assessment forms is carried out by a team of Visiting Officers. They will collect the necessary financial information at an arranged appointment, normally in the customer’s home. Customers can tell us if they need an interpreter or additional assistance for the visit and we will make the necessary arrangements. These forms can be completed by post if requested. An indicative charge can be obtained by clicking on ‘My care and support needs’ on the following web page; https://socialcare.luton.gov.uk/web/portal/pages/home

4.3. The Financial Assessment Team will process a completed financial assessment form and send out a charge notification letter, accompanied by a breakdown detailing how their charge has been calculated. Customers will be informed that should their circumstances change they must notify us so that we can review and revise their assessed charge. Information will be made available in large print or community languages if no other alternatives are available to the service user.

4.4. Customer charges will be reviewed every year in April in line with the Department for Work & Pensions annual benefit review. However, Luton Borough Council reserves the right to review a customer’s financial circumstances at any time. It is the customers’ responsibility to advise the Financial Assessments Team of any change to their financial circumstances promptly in order for a reassessment to be completed.

4.5. If information relating to a change in financial circumstances is not provided to the Council at the time of the change which results in an increase to the assessed charge, the Council retains the right to backdate the increased charge to the date of the change.

4.6. If a customer or their appointed representative chooses not to disclose their finances to Luton Borough Council or fails to correctly disclose their finances then they will be charged the standard cost of services, £14.75 per hour or £20.00 per day for more than 3 hours day care services, and £10.00 per day for attending day care services for less than 3 hours.

4.7. There is a minimum charge of £2.50 per week; this means that any charge that is calculated as being less than £2.50 will not be invoiced to the customer. The Council does not charge any more than £465.00 per week for non-residential care services regardless of whether a person’s chargeable service exceeds this amount and the person has the means to pay.
4.8. Any customer who has capital/savings in excess of £23,250.00 (the maximum figure as set out in the Care Act 2014) will be charged the standard cost of the service received.

5. Capital and savings

The Care Act 2014 and Care and Support Statutory Guidance published by the Department of Health allow us to assess a customer’s ability to pay and has regard to their assets.

5.1. Examples of capital and savings taken into account include:

- Cash
- Funds held in any type of bank, building society and Post Office account
- Saving bonds, premium bonds
- Stocks and shares, ISAs, and cashable investments
- Capital held by the Court of Protection or a Deputy appointed by that Court or capital held by a Power of Attorney
- Funds that derive from a payment for personal injury (with the exception of payments made under the Vaccine Damage Scheme – see 5.3). This includes funds held in trust or administered by a court.
- The value of any additional land or property owned by the customer will be taken into account as capital after 12 weeks *from the day they; purchased the additional land or property, moved into their main residence or started receiving care, whichever is soonest.
- However, Luton Borough Council has the discretion to disregard this additional land or property beyond the 12 weeks, if the property is in the process of being sold. (Evidence that an estate agent has been employed to sell the land/property will be required and will be reviewed every 3months.) *
  See also point 8.2. (Note: This list is not exhaustive)

5.2. Deprivation of capital rules

Decisions on the deliberate deprivation of capital/savings with a view to reduce or avoid a charge are made by the Financial Assessment Team. Where a customer or their representative deliberately deprives himself or herself of capital they will be treated as though they still possess that capital/savings for the purpose of the financial assessment. When considering deprivation it is up to the customer or their representative to prove to the local authority that they no longer have the asset.

5.3. Disregarded capital

- Capital of less than the lower capital limit of £14,250.00 defined in the Care and Support Statutory Guidance will be disregarded.
- The value of the main residence currently occupied by the customer is disregarded in the assessment. Please refer to 5.1 for additional properties.
5.4. If savings/capital is held in joint names, an equal proportion will be assumed unless there is evidence to prove otherwise.

5.5. If savings or capital held by the customer drop below the upper threshold limit of £23,350.00, it is the responsibility of the customer to notify Luton Borough Council of this change in circumstances.

6. Treatment of Income

6.1. The following income will be disregarded:

- All income derived from paid employment, including self employment
- Earnings replacement payments paid by Critical Illness Policies
- The mobility component of Disability Living Allowance or Personal Independence Payment mobility component
- War Pensioners Mobility Supplement
- The night time element of the care component of Disability Living Allowance, and Attendance Allowance, or the enhanced element of the Personal Independence Payment unless night care is part of the care provision assessed by Luton Borough Council and identified in the support plan.
- War Disablement Pension and War Widows Pension, however any Constant Attendance Allowance paid will be treated as income (as per Attendance Allowance)
- War Widows Supplementary Pension
- Savings Credit element of Pension Credit
- Working Tax Credit
- Disabled Person’s Tax Credit
- Child Tax Credit
- Child Benefit
- Dependant child element of Widowed Parent Allowance

(Note: This list is not exhaustive)

All of a partner’s income is also ignored unless:

a) The partner is in receipt of a couple’s rate of benefit, including premium’s relating to the customer. In these circumstances, half the couple’s income would be taken into account as income* *(Subject to the “better off” calculation).

Or

b) The customer assessment is lower if a “couples” assessment is carried out. The customer can opt to declare the partner’s income if he or she wishes to be subject to the ‘better off’ calculation.

6.2. All income not disregarded will be taken into account as assessable income in the assessment. Assessable income will be calculated on a weekly basis. This also includes tariff income from savings and capital. Please refer to 6.4 for further information on tariff income.
6.3. We will include any source of income that a customer is entitled to, even if they choose not to avail themselves of that income. This includes state benefits that they are entitled to claim, but choose not to do so, and it will be counted as “notional” income.

6.4. Tariff income on savings will be charged in accordance with the Care and Support Statutory Guidance. The tariff charge is £1 for every £250 held in capital above £14,250.00 and below £23,250.00.

7. Assessment of disability related expenditure (DRE)

7.1. People with a disability will be charged against their full assessable income but will be given extra allowances for disability related expenditure.

7.2. In assessing disability related expenditure the Council will make an allowance for the actual expenditure where applicable as detailed in Appendix 1 and under good practice guidance from National Association of Financial Assessment Officers (NAFAO).

7.3. Allowable Disability Related Expenditure will be for services deemed necessary as a result of disability, ill health or for health and safety reasons. Disability Related Expenditure arising simply from a matter of personal choice or where a reasonable alternative is available at lesser cost, will not normally be allowed.

7.4. Reasonable evidence of expenditure will be requested when we carry out your financial assessment. From time to time we will review and Disability Related Expenditure that has been allowed in your financial assessment, it is important that you retain receipts for this purpose.

7.5. In some cases only 50% of expenditure may be allowed if it is deemed to be a joint expenditure. However if the expenditure is due to the fact that a carer is not able to undertake the task due to the amount of time they are caring then 100% of the expenditure will be allowed.

8. Other allowable expenses

8.1. Allowable expenses other than disability related expenditure will include:
   • Rent, where a customer has a legal liability to pay rent minus any Housing Benefit
   • Mortgage interest payments minus any Income Support/Pension Credit Mortgage Interest Payments (the capital element of a Mortgage is not allowable)
   • Some Service charges for housing services - not covered by benefit
   • Council Tax, minus any Council Tax Support.
The above allowable expenditure will be divided proportionally between all adult occupants of the property. Adult occupants will be expected to have a shared liability for these allowable expenses, regardless of whether they actually contribute or not. Evidence is required of all of the above items of expenditure.

8.2. Allowable expenses relating to disregarded additional land or property:
- Where additional property or land is owned by the customer but disregarded by Luton Borough Council under point 5.1, discretionary allowances can be made in the customer assessment to take account of any ongoing maintenance costs incurred. Evidence of expenses will be required and reasonable costs will be considered by the Financial Assessments Team Senior Assessors and Team Leaders in each case (see also point 5.1).

9. Charge calculation

9.1. The Charging Guidance allows for expenses listed above, plus a buffer of an additional 25% on top of the basic Income Support/Pension Credit personal allowances.

9.2. Disability Related Expenditure and allowable expenses are then deducted from the assessable income to give an amount which will be deemed to be chargeable income or “available income”. If the cost of the total care package is less than the chargeable income then the actual cost of the care package will be the maximum weekly charge. This charge however will not exceed the maximum charge of £465.00

10. Charges for Services

10.1. Home care and day care will be charged at a standard hourly charge. All charges will be reviewed annually. The rates for 2018/19 are as follows:

- Home care and supported living charge: £14.75 per hour for each carer sometimes referred to as ‘double up care’.
- Day Centre charge: £20.00 per day for more than 3 hours day care services, and £10.00 per day for attending day care services for less than 3 hours or less.
- If you do not receive all of your service, for instance, if you go into hospital, your charge may be adjusted. It will only reduce if the cost of that week’s service goes below the amount you usually contribute towards the cost of your care.

10.2. Chargeable customers who are in receipt of Direct Payments will be financially assessed in the same way as other customers. The amount of the Direct Payment will be reduced by the amount of the calculated weekly charge and the payment will therefore be made net of the assessed charge.
11. Treatment of Couples

If only one member of a household is assessed as needing care, only their *individual income and assets can be taken into consideration in the financial assessment. If both members of the household receive the service a couple's assessment is required. *See also point 6.1.

A couple’s assessment will be offered in addition to a single assessment and the lower of the resulting charge will be applied to the customer receiving the service. (Known as the ‘better off calculation’). For instance, if the customer is the main recipient of the couple’s income the resulting charge of a single assessment could mean that they are not left with enough disposable income to support their partner, therefore expenditure required to support the partner may need to be considered in the calculation.

11.1. The calculation should ensure that neither partner should fall below the minimum basic level of income plus 25%, after paying charges, as set by the Government. (Minimum threshold level depends on whether a single or couples assessment has been carried out).

12. Commencement of charges

If you receive a service as listed in point 3.1, you will be charged for these services from the date your services start, in line with your ability to pay. This will be determined when you are financially assessed as per point 4. Please be aware the first bill may cover a backdated period.

Charges will be calculated as a weekly charge, and will be invoiced on a four weekly basis. A week is classed as running from Monday to the following Sunday.

Where a Direct Payment is being paid to the customer, the assessed charge will be calculated as a weekly charge, and will apply from the start of the Direct Payment. Instead of raising an invoice to the customer for the charge, the assessed contribution will be deducted from the next 4 weekly Direct Payments.

This calculation results in the customer being paid the “net” Direct Payment amount by Luton Borough Council. The customer is responsible for paying their assessed contribution directly into their Direct Payment account. This will ensure they have enough money to pay their care bills directly to their contracted provider as per the Direct Payment agreement.

Customers who are assessed as eligible for a Direct Payment but who are assessed to pay the full cost of the service will be unable to take up a Direct Payment, where the deduction of the assessed charge results in a net nil payment.

13. Review/Appeal Procedure

13.1. The customer has the right to ask for a review of their financial assessment and the charge. In the first instance, the Senior Finance Officer will carry out a review of the assessment to reconsider the charge. If the customer is still dissatisfied, their case will be referred to the Financial Assessment Team Leader to review.
13.2. It may also be necessary to refer customers to Adult Social Care Services Team for a care review to ensure that the amount of care being charged for is still required.

13.3. Customers will be advised how to access the Complaints procedure if the matter is still not resolved to their satisfaction.

14. Change of circumstances

14.1 Customers are responsible for notifying the Financial Assessments Team of any changes in circumstances that may affect their charges. Any resulting changes to customer charges will be applied from the effective day of the change.

14.2 Customers who are assessed to pay a contribution towards their care (rather than the full cost) may find that a change in care provision will not necessarily reduce the assessed charge.

14.3 There may be occasions when the carers do not need to stay for the entire allotted time. For charging purposes this will be rounded up or down to the nearest 15 minutes.

14.4 Any changes that impact on charges already invoiced for will show in the next invoice due to be issued. These are run every 4 weeks, there is no facility to issue interim or amended invoices.

15. Monitoring

15.1 Impact of the policy on any particular section of society, i.e. ethnic group will be monitored through the Council's integrated impact assessment tool (IIA).

15.2 Any changes to the charging policy which are deemed to have a negative impact may be subject to consultation with customers by the Council.
Appendix 1 - Assessment of Disability Related Expenditure (DRE) – 2018/19

Luton Borough Council’s assessment of DRE is based on the good practice guidelines developed by the National Association of Financial Assessment Officers (NAFAO). Luton Borough Council applies some maximum limits independently under their own Policy if no limits have been advised by NAFAO.

Evidence is required for all expenditure in order for it to be considered in the assessment.

**Heating**
An allowance is made for excessive fuel costs incurred by a customer due to a disability. The Government has identified typical annual fuel figures for six scenarios. Any fuel costs above these amounts will be allowed as an expense up to a maximum of £7.02 per week:

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single person in flat or terraced property</td>
<td>£1,206.07</td>
</tr>
<tr>
<td>Couple in flat or terraced property</td>
<td>£1,591.21</td>
</tr>
<tr>
<td>Single person in semi-detached property</td>
<td>£1,280.99</td>
</tr>
<tr>
<td>Couple in semi-detached property</td>
<td>£1,688.29</td>
</tr>
<tr>
<td>Single person in detached property</td>
<td>£1,558.51</td>
</tr>
<tr>
<td>Couple in detached property</td>
<td>£2,054.45</td>
</tr>
</tbody>
</table>

**Other allowable Disability Related Expenditure**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>ALLOWSANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Alarm System</td>
<td>Actual cost unless included in Housing Benefit or Supporting People Grant. Evidence required.</td>
</tr>
<tr>
<td>Privately arranged Respite care</td>
<td>Actual cost up to a maximum of £140 per week, where evidence is seen and care is identified as a need on care plan and LBC provision is reduced accordingly.</td>
</tr>
<tr>
<td>Privately arranged home care</td>
<td>Actual cost, with evidence provided, and if social worker confirms requirement as part of the Care Plan and LBC provision is reduced accordingly. Up to a maximum of £140 per week</td>
</tr>
<tr>
<td>Private Domestic help</td>
<td>Up to Max: 1.5 hours per week or £18.00 whichever is less, with evidence provided. If social worker confirms requirement as part of the Care Plan and no one else in the household is able to do it.</td>
</tr>
<tr>
<td>Description</td>
<td>Details</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Laundry/Washing Powder</td>
<td>Allow £3.75 per week. Identified continence (or similar) problem. Customer does 5 or more loads per week.</td>
</tr>
<tr>
<td>Dietary</td>
<td>Discretionary as special dietary needs may not be more expensive than a normal diet. Details of special purchases required from customer and are compared to normal weekly spend on food. LBC Max: Up to £6.07 per week maximum allowed.</td>
</tr>
<tr>
<td>Gardening</td>
<td>Discretionary. Allow actual based on individual costs of garden maintenance, and there is no one else in the household capable of gardening. Evidence required. LBC Max: £5.90 per week. Based on 8 months of gardening per year only.</td>
</tr>
<tr>
<td>Window Cleaning</td>
<td>Discretionary. Allow actual based on individual cost of cleaning and there is no one else in the household capable of completing the task. Evidence required. Max allowance of 6 cleans per year. £3.40</td>
</tr>
<tr>
<td>Wheelchair</td>
<td>Allow £3.91 per week for a manual wheelchair Allow £9.49 per week for a powered wheelchair or mobility scooter. These are set allowances to cover the purchase cost and repairs and maintenance.</td>
</tr>
<tr>
<td>Powered bed</td>
<td>Actual cost divided by 500 (10 yr life) - up to a maximum of £4.32 per week. Evidence of purchase required. These are set allowances to cover the purchase cost AND repairs and maintenance</td>
</tr>
<tr>
<td>Turning bed</td>
<td>Actual cost divided by 500 (10 yr life) - up to a maximum of £7.57 per week. Evidence of purchase required. These are set allowances to cover the purchase cost AND repairs and maintenance</td>
</tr>
<tr>
<td>Powered reclining chair</td>
<td>Actual cost divided by 500 (10 yr life) - up to a maximum of £3.43 per week. Evidence of purchase required. These are set allowances to cover the purchase cost AND repairs and maintenance</td>
</tr>
<tr>
<td>Stair-lift</td>
<td>Actual cost divided by 500 (10 yr life) - up to a maximum of £6.12 per week. Evidence of purchase is required. Covers the purchase cost AND repairs and maintenance.</td>
</tr>
<tr>
<td>Hoist</td>
<td>Actual cost divided by 500 (10 yr life) - up to a maximum of £2.99 per week.</td>
</tr>
<tr>
<td>Category</td>
<td>Description</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Evidence of purchase is required. These are set allowances to cover the purchase cost AND repairs and maintenance.</td>
<td></td>
</tr>
<tr>
<td>Prescription / Medical Charges</td>
<td>Discretionary allowance up to a maximum of £2.94 per week. (E.g. non-prescription items, additional vitamins, bandages etc for identified medical condition.)</td>
</tr>
<tr>
<td>Taxis</td>
<td>Allow for essential trips only (hosp/doctor/shopping) where client has no other means of transport. Allow costs exceeding DLA Mobility Benefit ONLY (where in payment) up to a maximum of £13.22 per week.</td>
</tr>
<tr>
<td>Chiropody</td>
<td>Allow actual cost for 1 session every 2 months. Where medical condition is known = up to £3.35 per week maximum.</td>
</tr>
<tr>
<td>Paid Carers Expenses</td>
<td>Allow actual cost incurred for paid carers expenses, where Care Plan identifies certain activities, and backed up by 3 monthly receipts for review. Allowed only by the Senior Financial Assessment Officer or Financial Assessment Team Leader</td>
</tr>
</tbody>
</table>
| Incontinence related expenditure (1) | Evidence of cost is required for all items. Customer should have an identified continence issue. Common items listed below can be allowed up to the MAX shown only.  
  **Mattress replacement:** Actual cost divided by 156 (3 yr life) - up to a MAX of £1.60 pw double bed or £0.80 pw for a single bed.  
  **Linen, mattress protectors and duvets:** Allow actual cost up to MAX of:  
  **Sheets:** Allow Max 8 per year  
  Single Fitted Sheet: £2.99 each = £0.46 pw  
  Single Flat Sheet: £3.99 each = £0.61 pw  
  Double Fitted sheet: £3.99 each = £0.61pw  
  Double Flat sheet: £5.99 each = £0.92 pw  
  **Duvets:** 3 per year  
  Single: £5.99 each = £0.35 pw  
  Double: £7.49 each = £0.43 pw  
  **Protectors:** 2 per year  
  Single: £9.99 each = £0.38 pw  
  Double: £14.99 each = £0.58 pw  
  **Total Max for bedding type items = £4.15 per week** |
| Incontinence related expenditure (2) | There is discretion to allow other items of disability related expenditure shown below.  
  No max if evidence is provided.  
  Other: e.g. disinfectants, replacement flooring, |
waterproof cushions, special slippers or shoes that cost more than normal shoes. Allow actual (difference) where evidence is provided.

Continence pads: Evidence required. Actual cost allowed for the period from date of referral to Incontinence Service for up to 12 weeks, or until customer is visited by Continence Service, whichever is sooner. Pads are not allowed if customer chooses to buy them, when the Continence Service would otherwise provide them.

These are discretionary items to be agreed with the Senior Financial Assessment Officer.

There will be NO allowances made in the assessment for the following; which should be paid from the “Basic Income Support plus 25% Disregard” amount:

- Water rates
- Insurance
- Loans including Hire Purchase and catalogue debts
- Normal household expenses e.g. standard household fuel bills, TV licence, telephone.
- Normal food and shopping bills, including meals-on-wheels and meals at day center's.
Appendix 2 - Basic Income Support / Pension Credit plus 25% buffer in 2018/19

The Government has decided that everybody being charged for non-residential services must be left with a minimum basic income threshold. This has been defined as the amount of basic Income Support/Pension Credit plus 25%. Basic Income Support/Pension Credit includes Personal Allowance, age and disability premiums but **NOT** Severe Disability Premium/Addition, Attendance Allowance, Disability Living Allowance or Personal Independence Payment.

The basic minimum income including 25% buffer amounts for 2018/19 are:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adults under Pension age</td>
<td>£133.31</td>
</tr>
<tr>
<td>Adults under Pension age and in receipt of Enhanced Disability Premium</td>
<td>£153.81</td>
</tr>
<tr>
<td>Couple under Pension age with Disability Premium</td>
<td>£203.31</td>
</tr>
<tr>
<td>Couple under Pension age with Enhanced Disability Premium</td>
<td>£232.75</td>
</tr>
<tr>
<td>Pensioner, aged 60 plus, single</td>
<td>£203.75</td>
</tr>
<tr>
<td>Pensioner, aged 60 plus, couple assessment</td>
<td>£311.00</td>
</tr>
</tbody>
</table>

Additionally, the night time element of Disability Living Allowance, Attendance Allowance and Personal Independence Payment is also disregarded if no night care is being provided. The night-time element of these benefits is £28.30 per week in 2018/19.