



MANCHESTER
CITY COUNCIL

Residential Charging Policy

2018/2019

Children and Families Directorate

Version 1.0

www.manchester.gov.uk

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If you require this document in an alternative format, such as Braille, audio, easy read or large print, please contact the Case Management Team on 0161 234 5383

Version 1.0

1 Introduction

- 1.1 The purpose of this Residential Charging policy is to say how we charge for care and accommodation charges in a care home. You may be offered these services when we have assessed your care needs.
- 1.2 You will receive a care assessment from a social worker or care manager. If they decide that you have eligible care needs the care assessor will inform the Council's Case Management Team. Your care assessor will evaluate the cost of your eligible care needs. This is called your Personal Budget. Your care assessor must provide you with an affordable placement within this Personal Budget. The Case Management Team will then financially assess you to work out how much you can afford to contribute towards the cost of any care you may receive.
- 1.3 In this policy when we say 'us' or 'we', we mean Manchester City Council. When we say 'you' we mean the service user (the person receiving care or services).

2 Legal Framework

- 2.1 All our charges are worked out using The Care Act 2014 and the Department of Health's Care and Support (Charging and Assessment of Resources) Regulations 2014.
- 2.2 Section 14 of the Care Act 2014 allows us to charge for care and support services.

3 Principles of the Residential Charging Policy

- 3.1 The aims of our Residential Charging policy are that we will:
 - Work out your charges in line with the Department of Health's Charging and Assessment of Resources Regulations 2014,
 - Tell you about where you can get independent financial advice when we assess you,
 - Assess everybody for their charges in the same way,
 - Not charge you more than the actual cost of your care,
 - Make sure that everyone who can pay for some or all of their care costs, does pay for them,
 - Collect any unpaid charges in line with our Charging and Debt Recovery Policy for Care & Residential Services Debt.

4 Services covered by the Residential Charging Policy

- 4.1 We will charge for the following services under this policy:
 - Respite Residential Care,

- Respite Nursing Care,
- Temporary Residential Care,
- Temporary Nursing Care,
- Residential Rehabilitation,
- Permanent Residential Care,
- Permanent Nursing Care.

5 Services not covered by the Residential Charging Policy

5.1 We charge for non-residential services under our Non-residential Policy.

6 Services we do not charge for

6.1 We do not charge for:

- Advice and information about assessments,
- Assessments of care needs and care planning,
- After care services under Section 117 of the Mental Health Act 1983 (Appendix A),
- Services provided to people who have Cruetzfeldt Jacob Disease (CJD),
- Services provided as part of Intermediate Care, including reablement, for up to the first six weeks,
- Any service or part of a service which the NHS is under a duty to provide. This includes Continuing Healthcare and the NHS contribution to Registered Nursing Care,
- Any services that we have a duty to provide through other legislation,
- People who are diagnosed with end stage terminal illness (Appendix B).

7 Temporary/Respite stays in a Care Home

7.1 If you are staying in a care home on a temporary or respite basis (short term stay, including residential rehabilitation stays) we will have to work out how much we charge:

- If you have £23,250 or more in savings and investments, you will have to pay the full cost of the service yourself,
- If you have less than £23,250 in savings and investments (not including your main home), we will charge you a set fee every week (Appendix C), this is known as a Light Touch Assessment,
- We can only charge you a Light Touch Assessment fee for the first eight weeks of your stay in a care home and then we have to financially assess you as if you were staying permanently in a care home (Section 9) but we would also:

- Take into account any housing or independent living costs,
- Not count any Attendance Allowance or Disability Living Allowance as eligible income,
- Not allow you to enter into a Deferred Payment Agreement.
- If you don't want to pay the Light Touch Assessment fee, we can financially assess you as if you were staying permanently in a care home (Section 9) but we would also:
 - Take into account any housing or independent living costs,
 - Not count any Attendance Allowance or Disability Living Allowance as eligible income,
 - Not allow you to enter into a Deferred Payment Agreement.

8 Permanent Stay in a Care Home

8.1 If you are staying in a care home on a permanent basis (excluding residential rehabilitation stays) we will charge you a set amount (Light Touch Assessment) for the first four weeks (Appendix D) and then complete a financial assessment after this period, as below in Section 9:

- If you have access to savings and investments that are above £23,250, you will need to arrange to be placed in a care home yourself (unless you do not have the mental capacity to do this yourself). If you choose a care home in our area you can contact us when your savings and investments drop below £23,250. We will then assess your finances to check that there has been no ineligible spending (deprivation of capital, see Appendix E). If the care home you choose is in another Council's area, you will need to contact that Council when your savings drop below £23,250,
- If you have less than £23,250 in savings and investments (not including your main home), we will charge you a set fee (Light Touch Assessment) for the first four weeks (Appendix C) and financially assess you after this period,
- If your stay in the care home is partially funded through NHS funding for Registered Nursing Care, you will not need to pay towards those NHS Registered Nursing Care costs. You will still need to pay an assessed charge towards the care and accommodation that is not funded by the NHS.

9 Financial Assessment

9.1 After your first four weeks of staying in a care home on a permanent basis we will financially assess you and base our charges on the outcome. We will assess all the eligible income you receive and leave you with a set amount as a Personal Expenses

Allowance (PEA). You may also receive a savings disregard which could increase your personal allowance. We will also charge you a tariff income based on the value of any savings and assets you have.

- Eligible income:

The Care and Support (Charging and Assessment of Resources) Regulations 2014 sets out what income we fully include, partially include and fully disregard when completing a financial assessment. Examples of the type of income we include can be found in Appendix F.

- Personal Expenses Allowance:

The Care and Support (Charging and Assessment of Resources) Regulations 2014 set out the amount of money we need to leave you for your personal expenses. The amount is reviewed each year (Appendix G). The Personal Expenses Allowance is for you to spend on personal items that you might need. Examples include, stationery, toiletries, small presents for friends and relatives, and other minor items.

- Savings Disregard:

If you receive Savings Credit you may be entitled to an additional allowance on top of your Personal Expenses Allowance of up to a maximum of £5.75 per week (Appendix H).

- Tariff Income:

We will charge you £1 per week for every £250 you have in savings or assets over £14,250 (we will ignore the value of your main home for the first twelve weeks of your permanent stay).

9.2 If you have given away savings, capital or income to reduce your care charge, we will assess you as though you still have those assets. We call this Notional Capital or Notional Income.

9.3 The formula for calculating charges is as follows:

$(\text{Eligible income}) + (\text{Tariff Income}) - (\text{Personal Expenses Allowance}) - (\text{Savings Disregard}) = \text{Charge}$. Examples of the residential accommodation Financial Assessment are shown in Appendix I.

9.4 We will never charge you more than the cost of the care home placement.

10 Property

10.1 If you own or have an interest in a property that was your main home before you moved into a care home:

- We will ignore the value of the property for the first twelve weeks of your stay in the care home,
- After twelve weeks we will look at the value of the property and work out the amount of equity that is yours. We will then reassess your charges to take into account any additional capital (equity) you have,
- If, after we have taken your part of the property value into account, your savings and assets are over £23,250, we will ask you to pay the full cost of your care.

10.2 There are rules around when we can use your property in the financial assessment (Appendix J).

11 Deferred Payment Agreements

11.1 Deferred Payment Agreements are to help you avoid selling your home, in your lifetime, to pay for your care by deferring some of the costs of your care against the value of your property. We have a separate policy for Deferred Payment Agreements which will give you more information about the service. We will offer you a Deferred Payments Agreement if:

- You do not have income or savings over £23,250 (not including the value of the property), and
- Your care needs mean that you need to stay permanently in a care home, and
- Your home is not disregarded (Appendix J).

12 Top ups

12.1 You can choose to stay in a care home of your preference. If the cost of the care home is more expensive than the assessed cost of your care needs, you will need to agree a 'top-up' payment. The top-up must normally be paid by a 'third party' like a relative, friend or charity. If you are subject to Section 117 (Appendix A) or have a Deferred Payment Agreement (Section 11) in place, you can top up your own care costs.

- When we complete your care needs assessment we will discuss any 'top up' payments with you and any 'third party' involved, as we have to agree any arrangements before we place you in a care home.
- The 'third party' must be willing and able to pay the difference between the assessed cost of care needs and the actual cost of the care home.
- All the people involved in Third Party Agreement need to consider whether the 'third party' can continue to pay for the 'top-up' in the long term before agreeing to it.

- We may turn down your request for a top up if we do not think you or the ‘third party’ can maintain payments.
- The ‘third party’ who has agreed to meet the ‘top-up’ costs must enter into a Third Party Top Up Agreement with us. We will provide the correct documents to sign.
- You must bear in mind that the ‘third party’ will be required to pay throughout your stay in the care home. If the ‘third party’ doesn’t keep up with payments you may have to move from your current placement to one that costs less. The ‘third party’ is personally responsible for any debt.

13 Notifying you of your assessed charge

13.1 When you have been placed in a care home we will supply you, or the person responsible for your finances (Appendix K), with a breakdown of how we have calculated your charges.

14 Payment Arrangements

14.1 In most cases we will send you an invoice for your care charges once every four weeks but in some cases you will need to pay the care home directly. We will inform you whether you need to pay us or the care home when we notify you of your weekly charges.

14.2 If we have told you that you need to pay us your care charges, you can pay in different ways. We offer the following payments methods (Appendix L for more details):

- Standing Order
- Online Transaction
- Bank Transfer
- Telephone
- Paypoint /Post Office

15 Change of Circumstances

15.1 If your financial circumstances change you must inform us (Case Management Team) (contact details are in Appendix M) and we will check your financial assessment. We will then write to you if your assessed charges change. We will normally backdate any changes to your charges from the date that your finances changed.

16 Annual Re-assessments

- 16.1 We will automatically adjust your charges every year in April, to take account of any changes in your benefits, private pensions and the cost of living. We may not be able to confirm all of your income and may write to you to ask for more information. When we have reassessed your charges we will write to you asking for you to confirm the information we have. This is to ensure that what we charge you is correct.

17 Reviews and Reconsiderations

- 17.1 When we notify you of your charges by letter we will offer to call you or visit you to explain any charges that you do not understand. If you still think that your charges for care are incorrect we can review the assessment of your charges. We have a two stage Review and a Reconsideration process. You can contact the Case Management Team (Appendix M) to request a Review or Reconsideration.

Stage One - Review

A Case Management Officer will check that the assessed charges have been calculated correctly. The Case Management Officer will inform you of their decision by letter or a telephone call.

Stage Two - Reconsideration

If you do not agree with the outcome of the Review, a senior manager on our Case Management Team will look at your case to see whether the assessment and Review were completed correctly. They may need to talk with your care assessor. The senior manager will inform you of their decision by letter within 14 days.

18 Complaints

- 18.1 If you are not happy with how we have dealt with your case, you can make a formal complaint by emailing the Case Management Team (address in Appendix M) stating the reason for your complaint and providing any supporting evidence.

19 Debt Recovery

- 19.1 We have a duty to recover all care charges.

- 19.2 If you or a 'third party' do not pay what you owe for your care your charges we will follow our debt recovery processes.
- 19.3 This may lead to legal recovery action through the courts if payment is not made. You or the 'third party' may also be liable to repay the legal costs and interest charges on the debt at a rate set by the County Court.

Glossary

Intermediate Care	Intermediate care services are provided to people, usually older people, after they have left hospital or when they are at risk of being sent to hospital. Intermediate care is a programme of care provided for a limited period of time to assist a person to maintain or regain the ability to live independently.
Permanent Residential or Nursing Care	Permanent care in a residential or nursing home is when your stay in a care home is likely to be on a permanent basis.
Reablement	Reablement is a short term period of assessment and intensive support to help a person regain independence after a period of illness, the onset of a disability or a change in circumstances.
Residential Rehabilitation	Residential rehabilitation is a treatment programme that is provided to people with drug or alcohol dependencies within a residential setting.
Respite Care	Respite care is when you require a high degree of care and stay in a residential or nursing home for a short time, in order to give your day-to-day carers a brief respite from the everyday tasks.
Temporary Residential or Nursing Care	Temporary care in a residential or nursing home is when your stay in a care home is unlikely to exceed 52 weeks, or, in exceptional circumstances, is unlikely to substantially exceed 52 weeks.
Light Touch Assessment	Where the local authority charges a small or nominal amount for a particular service which a person is clearly able to meet and carrying out a financial assessment would be disproportionate. Where a person does not agree with the Light Touch Assessment charges they can request that a full financial assessment is completed.

Appendix A – Section 117 After-Care

If the care home placement is an 'After-care' support service provided under Section 117 of the Mental Health Act 1983, the resident is exempt from charges. However, a resident under Section 117 may choose to pay top up fees if they want to pay for extra services or go into a home which costs above and beyond their assessed care costs.

Appendix B – Terminal Illness

What we mean by end stage terminal illness (terminally ill):

Regulation 2 of the Financial Assistance Scheme Regulations 2005 defines "terminally ill" as 'A person is terminally ill at any time if, at that time, they are suffering from a progressive disease and their death as a result of that disease can reasonably be expected within six months'.

Appendix C – Short Term/Respite Light Touch Charges

The charges for short term residential/nursing care and respite are age dependent. The following charges apply:

- Pensionable age and over - £138.10 per week
- 25-pensionable age - £81.75 per week
- 18-24 years old - £66.55 per week

Appendix D – Permanent Light Touch Charges

The charges for the first four weeks of a permanent placement in residential/nursing care are age and benefit income dependent. The following charges apply:

Not in receipt of Attendance Allowance or Disability Living Allowance

- Pensionable age and over - £138.10 per week
- 25-pensionable age - £81.75 per week
- 18-24 years old - £66.55 per week

In receipt of Disability Living Allowance Lower Rate

- Pensionable age and over - £160.75 per week
- 25-pensionable age - £104.40 per week
- 18-24 years old - £89.20 per week

In receipt of Attendance Allowance Lower Rate or Disability Living Allowance Middle Rate

- Pensionable age and over - £259.70 per week
- 25-pensionable age - £203.35 per week
- 18-24 years old - £188.15 per week

In receipt of Attendance Allowance Higher rate or Disability Living Allowance Higher rate

- Pensionable age and over - £288.00 per week
- 25-pensionable age - £248.05 per week
- 18-24 years old - £232.05 per week

Appendix E – Deprivation of Assets

We will consider the following points before deciding whether on the balance of probabilities deprivation has taken place for the purpose of avoiding care and support charges:

- Whether avoiding the care and support charge was a significant motivation;
- At the point the capital was disposed of could the person have a reasonable expectation of the need for care and support; and
- Did the person have a reasonable expectation of needing to contribute to the cost of their eligible care needs

Appendix F – Eligible Income

Income from all sources will be considered including the following:

- Disability Living Allowance / Personal Independence Payment (Care Component) Permanent residents only.
- Attendance Allowance (Care Component) Permanent residents only.
- Severe Disability Premium.
- Income Support.
- Pension Credit
- Incapacity Benefit.
- Retirement Pension.
- Occupational and private pensions from previous employment.
- Annuity payments.
- Money from trusts.
- Money from abroad.
- Charitable and voluntary payments received.
- Maintenance payments and payments from family and friends.
- Severe Disablement Allowance.
- Industrial Injuries Benefit.

This is not an exhaustive list and we use the rules set out in *The Care and Support (Charging and Assessment of Resources) Regulations 2014* and *The Care and Support Statutory Guidance: Annex C: Treatment of Income* when working out how much of the residents income is treated as assessable.

Appendix G – Personal Expenses Allowance

For 2018/19 the amount is set at £24.90.

Appendix H – Savings Disregard

Resident's aged 65 or over, and in receipt of above basic pension income, or savings, are given an additional allowance. This is set out in *The Care and Support (Charging and Assessment of Resources) Regulations 2014*.

The current maximum Savings Disregard allowance is £5.75 per week.

Appendix I – Examples of Financial Assessments

Example 1

Mrs A is aged 80 and single.

She is permanently admitted into a residential home which costs £468.50 per week.

She has savings of £8,000.

For the first four weeks of care she is charged a fixed amount £134.45 per week (see Appendix D).

From week five of her placement she will receive a full Financial Assessment shown below.

Step	Action	
1	Income	£
	Retirement Pension	126.80
	Private Pension	42.11
	(Pension) Savings Credit	9.38
	Her savings are below £14,250. This doesn't incur a tariff.	0.00
	Total assessable income	178.29
2	Minus Personal allowance	- 24.90
3	Minus Saving Credit disregard	- 5.75
4	Weekly Assessed contribution towards cost of care =	147.64

Example 2

Mr B is aged 93 and has a partner who remains at home.

He is permanently admitted into a residential home which costs £780 per week.

He chooses to give 50% of his superannuation to his partner.

For the first four weeks of care she is charged a fixed amount £259.70 per week (see Appendix D).

From week five of his placement he will receive a full Financial Assessment shown below.

Step	Action	
1	Income	£
	Retirement Pension	156.32
	Superannuation of £83.52 but gives 50% of it to his partner	41.76
	(Pension) Savings Credit	9.38
	His savings total £22,538. This incurs a tariff of £34.00 per week	34.00
	Total assessable income	232.08
2	Minus Personal allowance	- 24.90
3	Minus Saving Credit disregard based on income level	- 5.75
4	Weekly Assessed contribution towards cost of care =	201.43

Example 3

Ms C is aged 32 and single.

She is permanently admitted into a residential home which costs £500 per week.

For the first four weeks of care she is charged a fixed amount £81.75 per week (see Appendix D).

From week five of her placement she will receive a full Financial Assessment shown below.

Step	Action	
1	Income	£
	She receives Employment Support Allowance	125.55
	Her savings are below £14,250. This doesn't incur a tariff.	0.00
	Total assessable income	125.55
2	Minus Personal allowance	- 24.90
3	No Savings Credit disregard	- 0.00
4	Weekly Assessed contribution towards cost of care =	100.65

Appendix J – Property Disregards

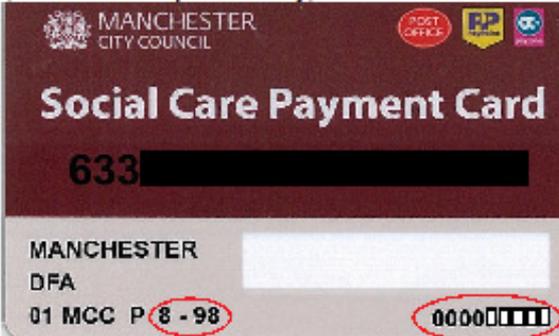
There are rules about property disregards that can be found in Annex B of the Care Act 2014 Guidance. The Care and Support (Charging and Assessment of Resources) Regulations 2014 and The Care and Support Statutory Guidance sets out circumstances where mandatory disregards apply.

Appendix K – Mental Capacity and Financial Representatives

For guidance on the Mental Health Act and dealing with a resident's financial affairs see:

- The Mental Capacity Act 2005 www.gov.uk/government/publications/making-decisions-who-decides-whenyou-cant
- Lasting Power of Attorneys www.gov.uk/powerof-attorney
- Registering existing Enduring Power of Attorneys www.gov.uk/enduringpower-attorney-duties
- Deputyship www.gov.uk/court-of-protection
- Appointeeships www.gov.uk/become-appointee-for-someoneclaiming-benefits

Appendix L – Payment Arrangements

Payment Methods					
<p>When making a payment you will need your Social Care account reference number (nine digit number). This is located at the bottom right hand side of your Social Care Payment Card, as shown below.</p> <p>Your payment card The “8 – 98” or “98” to the left on the bottom of the card is a reference you may need to enter before your account reference number when paying. (This is an example card only)</p>  <p>Paying by Standing Order This is an instruction from you to your bank or building society, authorising them to regularly pay a fixed amount to an organisation.</p> <p>If you want to pay by Standing Order please contact us on 0161 234 5383 and we will send you a Standing Order mandate. You must complete the form and send it to your bank.</p> <p>Paying by Bank Transfer You can instruct your bank to make a payment to Manchester City Council using the following bank details:</p> <p>Sort code: 20 55 58 Account number: 53348075</p> <p>Please ask your bank to quote “98” followed by your Social Care account reference number (as above), with your payment.</p>	<p>PayPoint Payments You may use your Social Care Payment Card to pay for your care at any Post Office or shop displaying the ‘PayPoint’ sign. Please ensure you keep the receipt safe.</p> <p>Online Payment Payment can be made by Debit or Credit Card by visiting www.manchester.gov.uk/payments. Select “Pay Social Services Fees” and enter “98” followed by your Social Care account reference number (nine digit number on the bottom right of your payment card) in the reference number field.</p> <p>Telephone Payments For our automated service, please call 0161 273 5270. Select option 5 “All Other Payments”, then select option 4 “Social Care”. You will need your Social Care account reference (nine digit number on the bottom right of your payment card).</p> <p>Alternatively, if you want to make your payment via a Case Management Officer you can call 0161 234 5383 between 09.00 and 17.00 Monday to Friday</p> <p>Other useful contact numbers: Debt Recovery – If you have received a letter from the Debt Recovery Team and want to agree a repayment plan call: 0161 455 1109/1168/1123/1110</p> <p>Community Alarm – If you receive a Community Alarm and want to cancel the service call: 0161 277 1858</p> <p>We will treat all information you disclose to us with the strictest confidence and will only use the information for the purposes for which it was disclosed to us. The Council is under a duty to protect the public funds it administers, and to this end may share the information you have given to us with other bodies responsible for auditing or administering public funds for the prevention and detection of fraud. Further information is available on our website at www.manchester.gov.uk/datamatching.</p>				
<p>The bottom right corner of your statement shows your current balance.</p> <table border="1"> <tbody> <tr> <td>If your balance does not have a minus sign in front of it. It means you need to pay the amount shown by one of the payment methods</td> <td>£XX.xx</td> </tr> <tr> <td>If your balance has a minus sign in front of it. It means you do not need to pay anything as you are in credit but please ensure you check your next statement.</td> <td>-£XX.xx</td> </tr> </tbody> </table>		If your balance does not have a minus sign in front of it. It means you need to pay the amount shown by one of the payment methods	£XX.xx	If your balance has a minus sign in front of it. It means you do not need to pay anything as you are in credit but please ensure you check your next statement.	-£XX.xx
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Appendix M – The Case Management Team Contact Details

Details for the Case Management Team are:

Email address:

caseman.enquiries@manchester.gov.uk

Postal address:

Case Management Team
Revenues and Benefits Unit,
Benefits Service
PO Box 3
Manchester
M15 5BA

Telephone:

0161 234 5383

We will treat all information you disclose to us with the strictest confidence and will only use the information for the purposes for which it was disclosed to us. The Council is under a duty to protect the public funds it administers, and to this end may share the information you have provided on this agreement with other bodies responsible for auditing or administering public funds for the prevention and detection of fraud. The Council can data match internally or with other organisations and is currently required to participate in the Audit Commissions National Fraud Initiative (NFI) data match exercise. Further information on this can be obtained from: <http://www.audit-commission.gov.uk/national-fraud-initiative/>.

Where specific figures are quoted in this document they reflect the current position. Any change to the relevant legislation may mean that some figures will change.

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