

# **Fairer Charging Policy & Guidelines 2009/10 Appendices**

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# 1 **Appendix 1: Fairer Charging Policy Underlying Principles**

- 1.1.1 The service user is at the centre of the Policy and Processes.
- 1.1.2 The policy seeks to provide a reasonable and equitable approach to charging ensuring that no group is unfairly discriminated against. It endeavours to meet standards and aims of national and local anti-poverty/social inclusion policies.
- 1.1.3 The financial assessment process provides the service user with the opportunity to increase their income through driving appropriate take up of benefits and to potentially lower their charges.
- 1.1.4 Getting the financial assessment “right first time” is imperative to ensure clarity and reduces the likelihood of loss of income to the Authority.
- 1.1.5 The costs of disability are recognised.
- 1.1.6 The policy will ensure that individuals are left with sufficient money to meet their day to day living needs as defined by Central Government. No service user will be left with income below the levels set out by central government as a result of any charges.
- 1.1.7 Services cannot be withdrawn if users have difficulty paying their charges or refuse to do so.
- 1.1.8 Generating income from charges is essential to maintain and modernise services.

## 2 **Appendix 2: Chargeable Services**

### 2.1 **Chargeable services subject to a client financial assessment**

#### 2.1.1 **Day Care**

- i. Charges will be based on sessions attended. One session equating to one day's attendance or part thereof.
- ii. A service user will be charged day care attendance as normal if they go out of the centre on activities including day trips.
- iii. Transport and Meals are charged separately. There is a standard charge for these services and service users will not have a financial assessment.

#### 2.1.2 **Home Care**

- i. Home care is charged for at an hourly rate or part thereof. This includes help where provided or purchased by the Authority.
- ii. Where 2 care staff are required to carry out a care task, the service user will be charged twice the rate of a single carer.

#### 2.1.3 **Adult Placements**

- i. Services provided under an Adult Placement (AP) scheme can include the following:
  - long term accommodation and support (which may or may not include personal care)
  - short breaks, normally in accommodation provided by the AP carer
  - day care in the home of the AP carer
  - outreach support to people living independently
- ii. The key element of an adult placement scheme is that the service user has a tenancy or licence arrangement to occupy the accommodation, generally funded through Housing Benefit. It does not represent residential accommodation and the local authority is not responsible financially for the accommodation.
- iii. The social element provided as part of an adult placement is financially assessed in accordance with the charging policy.

#### 2.1.4 Adaptations

- i. Adaptations refer to large or small changes to homes that are recommended by an occupational therapist. Small or minor adaptations refers to new fixtures that are fitted in the home, for example:
  - grab rails
  - second banisters or stair rails
- ii. Adaptations with a value of less than £1,500 (limit reviewed annually) will not be charged for.
- iii. A large or major adaptation may be a:
  - vertical lift installation
  - stairlift
  - shower installation
  - extension
  - larger ramps
- iv. Part or all of the cost of adaptations may be met by the Authority giving a grant, known as a Disabled Facilities Grant (DFG). The amount of grant paid is dependent upon the resources of the service user. Where the grant amount does not fully cover the cost of the adaptation, the balance represents a client charge which will be subject to a Fairer Charging assessment. The charge to be calculated over the life expectancy of the adaptation, subject to a maximum 10 year period.

#### 2.1.5 Direct payments and Individualised Budgets

- i. Under the direct payments and Individualised budget arrangements, service users receive funding directly in order to make their own arrangements for social care services which meet their assessed needs. Service users receiving direct payments or Individualised budgets will be assessed in accordance with the charging policy.
- ii. A client contribution is deducted directly from the gross cost of the direct payment with the resultant net amount paid into a service user's direct payment account.
- iii. The service user is required to pay their assessed contribution into their direct payments account to complement funding from the Authority.

- iv. Client contributions in respect of services funded through direct payments are based on planned levels of care.
- v. As Individualised budgets may include provision for a range of services, some of which would be chargeable and others not. Client contributions based on the maximum assessed charge in respect of services funded through Individualised budgets will be deducted directly from the gross budget regardless of whether the planned services include elements of service that are non-chargeable.

#### 2.1.6 **General**

- i. Clients in receipt of one or more of the above services will receive a financial assessment and if their income falls below the minimum level, as set out by the guidance, there will be no charge.
- ii. Service users who, following a financial assessment, have an assessed charge of less than **£2.00 per week** will not be charged. This level has been set to ensure that the cost of administration is not more than the actual charge.

### 2.2 **Chargeable services subject to a standard/flat charge**

#### 2.2.1 **Meals (at home or in a day care centre)**

- i. There is a standard charge for these services and service users will not have a financial assessment.

#### 2.2.2 **Transport**

- i. Where a service user meets the eligibility criteria for the provision of a transport arrangement (e.g. to a day centre) a standard charge per journey is made by the Council and the charge is not subject to a financial assessment.

### 2.3 **Services provided or administered in partnership with other agencies**

#### 2.3.1 **Agreements with Health**

- i. For non residential services included within the following agreements with Health:

- Section 28A of the NHS Act 1977 or
- Section 31 of the Health Act 1999

a charge will be made for that service where that service represents the provision of social care (as distinct from intermediate care) and would normally be charged for by Herefordshire Council.

- ii. In Partnership Trusts with Health Service only the social care services are chargeable.

## Appendix 3: Client Charge Rates 2009/10

Service	2009-10
Domiciliary Care (per hour) Note: Service users requiring two carers will be charged twice the hourly rate	£14.15
Day Care Session (one day or part thereof)	£4.15
Meals including WRVS "Meals on Wheels" (per meal)	£2.65
Transport (per journey)	£1.30
Maximum Weekly Charge	Full cost of the service*
* This is defined as, for each service, the applicable unit client charge in force at the time multiplied by amount of service delivered.	

### 3.1 Missed calls

- 3.1.1 Client charges will apply (subject to the discretion of the Authority) where the provider has attempted to carry out the service but the service user was not available and no notice was given as to the absence (missed calls).

### 3.2 Service users who are responsible for paying the full cost of any service they receive

- 3.2.1 Service users having capital above the upper capital limit determined each year by the Department of Health are not eligible for financial assistance from Herefordshire Council and will be responsible for paying the full cost of any service they receive, as defined by the maximum weekly charge above.

Capital Limit	£23,000
Capital Limit - Couple	£46,000

### 3.3 **Chargeable services not subject to client charges in 2008/09**

#### 1) **Supporting People**

3.3.1 Housing related support provided under the Supporting People programme is a chargeable service. Herefordshire's current policy is not to charge for these services.

#### 2) **Carer Services**

3.3.2 Services delivered under the Carers and Disabled Children Act, 2000 can be charged for in the same way as for service users. Herefordshire's current policy is not to charge for services provided as a result of a carers assessment that would not normally be provided under Community Care Legislation.

### 3.4 **Non- Chargeable Services**

#### 1) **No charge is made to the service user for the following services**

1. All assessments of Community Care needs
2. All advice services
3. Occupational Therapy equipment / aids to daily living, including telecare. Adaptations costing less than the amount set out in **Appendix 2** will not be charged for.
4. Intermediate care (rehabilitation/reablement services) up to a maximum of a six week period.
5. Supported employment
6. Drop in facilities

## 4 **Appendix 4: Outline of the Financial Assessment Process**

- 4.1 Operational staff (Care Managers) will carry out the care needs assessment and provide the charging information sheet for the service user or their representative.
- 4.2 The details are then passed to the Welfare and Financial Assessment Officer to arrange a financial assessment visit.
- 4.3 The Welfare and Financial Assessment Officer will carry out the following tasks:
- (a) Arrange visits with clients or their representatives
  - (b) Gather financial information on the Financial Assessment Form which is then signed by the service user or their representative
  - (c) Arrange for additional forms of authority to be signed if any information needs further written verification
  - (d) Undertake a welfare benefits check and help with claims.
  - (e) Assess costs of disability
  - (f) Calculate a provisional charge
  - (g) Provide appeals support where Department for Work and Pensions claims are refused (Pension Service staff are unable to do this)
  - (h) Complete any postal assessments and any further financial enquiries and verification
  - (i) Explain and arrange payment methods
  - (j) Undertake financial reviews and appeals
- 4.4 Other staff in the Finance Section will:
- (a) Provide the client with written notification of the charge, the date of commencement and methods of payment.
  - (b) Enter details onto the computer (Abacus) for billing and collection of charges.
  - (c) Raise monthly debtor accounts and send to service users
  - (d) Assist with debt collection where appropriate

- 4.5 Joint working arrangements mean that the financial assessment maybe undertaken by the Council or the DWP Local Pension Service. The Financial Assessment Officer checks all income and calculates entitlement to any relevant benefits and assists in the completion of claim forms if needed. Partnership working with the DWP assists in the maximisation of personal income.
- 4.6 Joint working involves the sharing of financial and non financial information between the agencies. An information sharing protocol is in place.

## 5 **Appendix 5: Assessed Income - Types of Income Disregarded For Assessment Purposes**

### 5.1 **The following are fully disregarded for the purposes of the Fairer Charging Assessment.**

1. Earnings from current employment
2. Any partners earnings
3. Any dependent children's income
4. Disability Living Allowance Mobility Component
5. Working Tax Credit
6. Pension Credit (Savings Credit)
7. War Pensioners Mobility Supplement
8. Independent Living Fund (ILF) contributions and extensions
9. Child Tax Credit and Child Benefit
10. Payments made by the Local Authority as a Direct Payment or Individualised budget
11. Any payment received on behalf of a child e.g. child support
12. War Widows Special Payments.
13. War Disablement/ Widows Pension where local scheme for Housing Benefit and Council Tax Benefit is in place
14. Charitable and Voluntary payments made on a regular basis.

### 5.2 **Under Schedule 9 of the Income Support (General) Regulations 1987 the following items are also disregarded**

1. Pensioners Christmas Bonus
2. Social Fund Payments
3. Housing and Council Tax Benefits
4. Extra Statutory Payments
5. Irregular Charity or Voluntary Payments
6. Income from Capital e.g. interest on savings (tariff income is applied)
7. Volunteer Expenses e.g. hospital transport drivers
8. Payments in kind
9. Training allowances
10. Victoria Cross or George Cross Payments
11. Overseas income which cannot be transferred to the UK e.g. occupational pension earned and paid in Zimbabwe
12. Cold weather payments
13. Winter Fuel Payments
14. One-off payments from the State made to enhance pensioners' income

### **Other Income which attracts a set amount of Disregard**

1. Payments to victims of National Socialist persecution (paid under German and Austrian Law) Disregard the first £10.00
2. Civilian War Injury Pensions Disregard the first £10.00
3. Income from Personal Injury Awards Disregard the first £20.00
4. Payments from sub-letting Disregard the first £20.00

## 6 Appendix 6: Non Residential Tariff Income 2009/10

6.1 For non-residential care services, if the service user (and their partner where joint assessments apply) has capital between the lower and upper capital limits "Tariff Income" is added to the assessed income figure.

6.2 The tariff income rate is currently £1.00 for every £250 of total capital, as follows:

Total Capital (single service user)	Tariff Income per Week
Nil - £14,000.00	£0.00
£14,000.01 - £14,250.00	£1.00
£14,250.01 - £14,500.00	£2.00
£14,500.01 - £14,750.00	£3.00
£14,750.01 - £15,000.00	£4.00
£15,000.01 - £15,250.00	£5.00
£15,250.01 - £15,500.00	£6.00
£15,500.01 - £15,750.00	£7.00
£15,750.01 - £16,000.00	£8.00
£16,000.01 - £16,250.00	£9.00
£16,250.01 - £16,500.00	£10.00
£16,500.01 - £16,750.00	£11.00
£16,750.01 - £17,000.00	£12.00
£17,000.01 - £17,250.00	£13.00
£17,250.01 - £17,500.00	£14.00
£17,500.01 - £17,750.00	£15.00
£17,750.01 - £18,000.00	£16.00
£18,000.01 - £18,250.00	£17.00
£18,250.01 - £18,500.00	£18.00
£18,500.01 - £18,750.00	£19.00
£18,750.01 - £19,000.00	£20.00
£19,000.01 - £19,250.00	£21.00
£19,250.01 - £19,500.00	£22.00
£19,500.01 - £19,750.00	£23.00
£19,750.01 - £20,000.00	£24.00
£20,000.01 - £20,250.00	£25.00
£20,250.01 - £20,500.00	£26.00
£20,500.01 - £20,750.00	£27.00
£20,750.01 - £21,000.00	£28.00
£21,000.01 - £21,250.00	£29.00
£21,250.01 - £21,500.00	£30.00
£21,500.01 - £21,750.00	£31.00
£21,750.01 - £22,000.00	£32.00
£22,000.01 - £22,250.00	£33.00
£22,250.01 - £22,500.00	£34.00
£22,500.01 - £22,750.00	£35.00
£22,750.01 - £23,000.00	£36.00
£23,000.01 and above	Full Charge

### Couples

Where Joint assessments may apply for couples the tariff income rate continues to apply up to £46,000.

<b>Total Capital (Couples only)</b>	<b>Tariff Income per Week</b>
Nil - £28,000.00	£0.00
£28,000.01 - £28,250.00	£1.00
£28,250.01 - £28,500.00	£2.00
£28,500.01 - £28,750.00	£3.00
£28,750.01 - £29,000.00	£4.00
£29,000.01 - £29,250.00	£5.00
£29,250.01 - £29,500.00	£6.00
£29,500.01 - £29,750.00	£7.00
£29,750.01 - £30,000.00	£8.00
£30,000.01 - £30,250.00	£9.00
£30,250.01 - £30,500.00	£10.00
£30,500.01 - £30,750.00	£11.00
£30,750.01 - £31,000.00	£12.00
£31,000.01 - £31,250.00	£13.00
£31,250.01 - £31,500.00	£14.00
£31,500.01 - £31,750.00	£15.00
£31,750.01 - £32,000.00	£16.00
£32,000.01 - £32,250.00	£17.00
£32,250.01 - £32,500.00	£18.00
£32,500.01 - £32,750.00	£19.00
£32,750.01 - £33,000.00	£20.00
£33,000.01 - £33,250.00	£21.00
£33,250.01 - £33,500.00	£22.00
£33,500.01 - £33,750.00	£23.00
£33,750.01 - £34,000.00	£24.00
£34,000.01 - £34,250.00	£25.00
£34,250.01 - £34,500.00	£26.00
£34,500.01 - £34,750.00	£27.00
£34,750.01 - £35,000.00	£28.00
£35,000.01 - £35,250.00	£29.00
£35,250.01 - £35,500.00	£30.00
£35,500.01 - £35,750.00	£31.00
£35,750.01 - £36,000.00	£32.00
£36,000.01 - £36,250.00	£33.00
£36,250.01 - £36,500.00	£34.00
£36,500.01 - £36,750.00	£35.00
£36,750.01 - £37,000.00	£36.00
£37,000.01 - £37,250.00	£37.00
£37,250.01 - £37,500.00	£38.00
£37,500.01 - £37,750.00	£39.00
£37,750.01 - £38,000.00	£40.00
£38,000.01 - £38,250.00	£41.00
£38,250.01 - £38,500.00	£42.00

<b>Total Capital continued (Couples only)</b>	<b>Tariff Income per Week</b>
£38,500.01 - £38,750.00	£43.00
£38,750.01 - £39,000.00	£44.00
£39,000.01 - £39,250.00	£45.00
£39,250.01 - £39,500.00	£46.00
£39,500.01 - £39,750.00	£47.00
£39,750.01 - £40,000.00	£48.00
£40,000.01 - £40,250.00	£49.00
£40,250.01 - £40,500.00	£50.00
£40,500.01 - £40,750.00	£51.00
£40,750.01 - £41,000.00	£52.00
£41,000.01 - £41,250.00	£53.00
£41,250.01 - £41,500.00	£54.00
£41,500.01 - £41,750.00	£55.00
£41,750.01 - £42,000.00	£56.00
£42,000.01 - £42,250.00	£57.00
£42,250.01 - £42,500.00	£58.00
£42,500.01 - £42,750.00	£59.00
£42,750.01 - £43,000.00	£60.00
£43,000.01 - £43,250.00	£61.00
£43,250.01 - £43,500.00	£62.00
£43,500.01 - £43,750.00	£63.00
£43,750.01 - £44,000.00	£64.00
£44,000.01 - £44,250.00	£65.00
£44,250.01 - £44,500.00	£66.00
£44,500.01 - £44,750.00	£67.00
£44,750.01 - £45,000.00	£68.00
£45,000.01 - £45,250.00	£69.00
£45,250.01 - £45,500.00	£70.00
£45,500.01 - £45,750.00	£71.00
£45,750.01 - £46,000.00	£72.00
£46,000.01 and above	Full Charge

## 7 **Appendix 7: Further details relating to capital resources including those disregarded for assessment purposes**

### 7.1 **General**

7.1.1 The Welfare and Financial Assessment Officer will seek verification of capital/savings at the Financial Assessment Visit. If the required proof is not available at the visit, the service user/service user's representative should post copies to Herefordshire Council. A pre-paid stamped addressed envelope will be provided for this purpose.

### 7.2 **Stocks and Shares**

7.2.1 The value of the holding can be obtained by reference to the current stock exchange listing. This value should be recorded minus a 10% disregard allowed for selling.

### 7.3 **Savings Certificates**

7.3.1 The current value will be either the purchase price listed, or the value they would realise if they had been sold prior to the cessation of the issue. A signed form of authority will be needed if the Authority wishes to seek clarification as to the value of the certificates from the National Savings Department.

### 7.4 **Income Bonds**

7.4.1 Income Bonds are regarded as capital.

### 7.5 **Investment Bonds**

7.5.1 If the Bond generates an income (this is normally the case where there is an element of Life Assurance attached) the income is included in the financial assessment. If the service user, for whatever reason, has chosen not to take an income from a Bond that has no surrender value then it is the service user/service user's representative's responsibility to seek verification of the income that would have been generated and to notify the Authority. Such income should be included in calculating the financial assessment.

7.5.2 The DWP treat investment bonds as capital and disregard for the purposes of calculating income.

7.5.3 Where the Bond has a surrender value, (not necessarily the value of the bond at date of purchase) that value is treated as being capital.

7.5.4 Bonds cannot be included as having both capital value and generating an income.

## 7.6 **Annuities**

7.6.1 The capital value of any annuity is disregarded.

7.6.2 The weekly, monthly, quarterly, annual payments generated from an annuity are regarded as income.

7.6.3 Where annuities are purchased with gallantry awards or with personal injury awards following a personal injury agreement or order the first £20 of any income is disregarded.

## 7.7 **Disregarded Capital**

### 7.8 **The following items are disregarded when calculating a service user's capital.**

- 1) Payments from the Independent Living Fund
- 2) Payments made by the Local Authority as a 'Direct Payment' or individualised budget
- 3) Payment under any child care legislation
- 4) Any capital belonging to a dependent child

### 7.9 **Other types of capital that must be disregarded under Schedule 10 of the Income Support (General) Regulations 1987**

- 1) The value of personal possessions
- 2) Business assets
- 3) The value of monies held in a personal pension or annuity linked to retirement
- 4) The surrender value of life assurances and endowment policies
- 5) Future interest in non-realizable property or capital arrears of benefit
- 6) World War II compensation payments
- 7) Creutzfeld-Jacob (CJD) payments
- 8) Charitable payments of an irregular nature
- 9) The capital value of any annuity purchased with personal injury funds or purchased following a personal injury agreement or order
- 10) Ex-gratia payments made to former Far Eastern Prisoners of War
- 11) Payments made under the Vaccine Damaged Payment Scheme

12) Payments received from the NHS for patients having Hepatitis C as a direct result of blood transfusions

7.10 **Deprivation of Capital**

7.11 If a service user is unable to provide satisfactory evidence that they have disposed of a capital asset, they may still be treated as possessing the capital asset. The amount disposed of will be treated as notional capital and added to any other capital that the service user has.

## 8 **Appendix 8: The Treatment of Disregarded Property and Time Limited Property Disregards**

### 8.1 **The following property is disregarded when calculating a service user's capital**

- 8.1.1 The service user's home, including any garage, outbuildings and land, Exceptions to this being where a service user is currently living with someone else and will not be able to ever return to their home, for whatever reason. A reasonable period of time should have elapsed since the service user left their home and the circumstances fully considered before the property is included in the assessment.
- 8.1.2 Any premises or land which it is impractical or unreasonable to sell separately from the service user's home.
- 8.1.3 The value of a former home following the breakdown of a relationship. Disregard for a period of at least six months from the date of the service user's departure.
- 8.1.4 The value of a property in respect of which the service user has taken legal advice in order to establish occupancy. Disregard for a period of at least six months.
- 8.1.5 Disregard for a period of at least six months the value of a property which the service user is actively trying to sell.
- 8.1.6 The value of a property which the service user has acquired for occupation. Disregard for a period of at least six months.
- 8.1.7 For a period of at least 52 weeks the proceeds from the sale of a former home which the service user intends to use to purchase another home.
- 8.1.8 Disregard for a period of at least six months, the value of any money the service user intends to use for the express purpose of essential repairs and improvements to his/her home.
- 8.1.9 Disregard for a period of 52 weeks the value of any money the service user has received from an insurance claim to be used for the replacement of household items and repairs to the property.
- 8.1.10 Disregard the value of any deposit held, as a condition of occupancy, by a Housing Association.

- 8.1.11 Disregard the value of any grants awarded to a service user, who is a local authority tenant, to cover the cost of repairs and alterations.
- 8.2 'Home' in this section means the place where the service user normally resides.

## 9 **Appendix 9: Disability Related Expenditure**

### 9.1 **Introduction**

9.1.1 Where disability benefits are taken into account as income in assessing ability to pay a charge, the user's disability-related expenditure (DRE) is also assessed. The aim is to allow for reasonable expenditure needed for independent living by the disabled person. Items where the service user has little or no choice other than to incur the expenditure, in order to maintain independence of life, should normally be allowed.

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

9.1.3 Evidence of expenditure will be requested and there will be a requirement for evidence to be kept in future. In the first instance this should be an invoice, failing this, duplicate receipts will be required.

### 9.2 **Statutory Guidance**

9.2.1 Generally the items allowed for should be based on actual past expenditure, though in some cases estimates of annual spending based on available evidence will need to be made. Spending not incurred, as in unmet need, should not be allowed. It is not practicable for charge assessments to take account of expenditure users would incur, if they had more income.

9.2.2 If, despite a request to keep future receipts, users fail to do so, it may be reasonable, where there is doubt as to whether the expenditure is actually incurred, for Councils not to include this in the assessment. In some cases, where bills cannot be produced, e.g. for heating, it may not be practicable to make an estimate.

### 9.3 **The approach to assessing Disability Related Expenditure**

9.3.1 The Finance Assessment Officer will carry out a review of expenditure by personal interview, usually in the Service User's own home. Where requested, they can be supported by a member of the family or a friend or seen at another location.

- 9.3.2 The users care plan should give guidance as to the level and type of support required.
- 9.3.3 The cheapest or most reasonable form of expenditure should be used.
- 9.3.4 Occasional large items of expenditure will be averaged out over one or more years. The following represents a guideline:

Level of Expenditure	Averaged over following period
Up to £100	52 weeks
Between £100 and £500	250 weeks
Over £500	500 weeks

- 9.3.5 The assessment should be based on the needs identified through the care plan and actual costs identified at the assessment.
- 9.3.6 Generally items allowed for should be based on past expenditure.
- 9.3.7 The assessment process should be consistent across the Authority and across different service groups.
- 9.3.8 In some cases only 50% of expenditure may be allowed if it is deemed to be a joint expenditure.
- 9.3.9 Evidence of actual expenditure will be requested. Where receipts have not been kept, the council may request that this be done for future expenditure. It is also legitimate for the council to verify that items claimed for have actually been purchased, particularly for unusual items or large expenditure.
- 9.3.10 Where a person is in receipt of ILF funding, special rules relating to the treatment of Disability Related Expenditure (DRE) will apply.
- 9.3.11 Stage 1. The maximum charge that a service user could contribute to the ILF will be established (this will usually be an amount equal to half the high rate of the care component of the Disability Living Allowance plus the Severe Disability Premium of Income Support).
- 9.3.12 Stage 2. The service user will have an assessment of his/hers DRE's undertaken in the normal way. Then their DRE figure will be reduced by the amount of the maximum ILF charge. Where the DRE's are less than or equal to the maximum ILF charge, the DRE value will thus become nil.

9.3.13 Stage 3. Where the service user's excess income is over the basic income support/pension credit applicable amount + 25% and is equal to, or lower than the maximum ILF charge, the maximum assessed charge will then be calculated in the normal manner using the amended DRE figures.

Where the service users' excess income over basic income support plus 25% is over the maximum ILF charge then the calculation of the charging cap will have two parts.

- a) the first element of the charge will be assessed in line with the process described above
- b) a calculation of the assessed charging cap based on standard (non ILF) criteria will be undertaken;
- c) the greater of the figures resultant from the two steps above will be the assessed charging cap for that individual

This has to be done to ensure that the service user is not disadvantaged by these special ILF related rules, and so will not pay any more in their combined social care/ ILF charge than they would have done without these special provisions.

## 9.4 Schedule of Disability Related Expenditure

9.4.1 It is not possible to provide a completely comprehensive list of disability related expenditure, which can be taken into account in the assessment but the following provides guidance on specific disability expenses.

9.4.2 Thus what follows is not an exhaustive list of disability related costs and it is reasonable to expect that few service users would qualify for the full range of allowances. These allowances should align with information gathered during the care assessment and identified in the care plan.

## 9.5 Premises Related Costs

### 9.5.1 The cost of: Excess Fuel for Heating

Fuel includes, coal, wood, gas, electric, oil, paraffin, solar heating

Item	Item	Standard Costs (Year)	Standard costs (Week)	Evidence
All fuel	1 person in flat/ terrace	£1067	£20.52	Last 4 bills for all types of fuel.
	2 people in flat terrace	£1405	£27.02	
	1 person in semi-detached	£1132	£21.77	
	2 people n semi-detached	£1492	£28.69	
	1 person in detached	£1377	£26.48	
	2 people in detached	£1,815	£34.90	

Source: NAFAO guideline figures 2009/10

### Calculation of DRE allowance

9.5.1.1 The standard costs set out above are the average fuel expenditure levels by housing type. Where the actual cost of fuel exceeds the average cost because of the disability of the service user, the excess cost is allowable. This is determined as the difference between the actual bills and the standard rates divided by 52.

- 9.5.1.2 Consideration will be given to additional householders contributing to household fuel costs. The approach adopted will be where there are more people in the property for each of the property types above, an amount equal to the difference between the single and two person rate for each property type should be added for each additional person. However, where there is evidence that that the client uses more fuel than the others in the household due to their disability then this will be allowed. For example, where a GP confirms that additional heating has a material impact on a person's health.
- 9.5.1.3 If bills are not retained, copies will need to be provided within 28 days. If they are not provided within this timescale, the allowance will apply from the date that the evidence is supplied.
- 9.5.1.4 Winter Fuel and Cold Weather Payments are not taken into account.
- 9.5.1.5 Allowable expenditure will be reduced by any concessionary fuel or other allowance.
- 9.5.1.6 The above standard costs in the policy will be increased each year in line with inflation.

#### 9.5.2 **Metered Water: Excess Costs**

Item	Item	Standard Costs (Year)	Standard costs (Week) *	Evidence
Metered Water	1 person living in a property 2 people living in a property 3 people living in a property * add £67 for each additional person	£122 £189 £256	£2.35 £1.82 £1.64	Last 4 water bills.

#### Calculation of DRE allowance

- 9.5.2.1 The standard costs set out above are the average metered water costs. Where the actual cost of water exceeds the average cost because of the disability of the service user, or costs are excessive because a meter cannot be fitted, the excess cost is allowable. This is determined as the difference between the actual bills and the standard rates divided by 52.

### 9.5.3 Other Premises Costs

Item	Guidance on calculation	Amount	Evidence
Domestic Help inc. cleaning materials for the household	Actual cost up to maximum amount if no one else in the household can carry out the task	Actual cost for the household up to following maximum: Urban: £12.88 per week Rural: £18.03 per week	Evidence of costs incurred where privately arranged.
Garden Maintenance	Actual cost up to maximum amount if the service user is unable perform this task due to disability and no one else in the household is able to do so	Actual cost up to following maximum: Urban: £5.15 per week over 8 growing months Rural: £6.70 per week over 8 growing months	Signed receipts for at least 4 weeks using a standard receipt book
Community Alarm System	Actual cost unless included in Housing Benefit or Supporting People Grant	Actual cost	Invoices from Provider
Laundry/Washing Powder	Standard amount covers own washing machine, laundrette or if laundry is carried out by a third party or carer, away from the service users premises. Amount covers all loads above 4 per week	4–8 loads: £3.14 per week 9–12 loads: £5.51 per week 13–16 loads: £8.14 per week	Care plan identified incontinence problem, more than 4 loads per week
Wear and tear on fixtures and fittings	Discretionary but must be caused by the direct consequence of disablement	Actual cost	Receipts or estimates for replacements. Evidence that it is not covered by a household insurance policy

#### Notes

- 9.5.3.1 Privately arranged help e.g. cleaning or gardening carried out by immediate members of the family who live in the household, is generally not allowed. An exception can be made if there is evidence that the employee is not part of the household and can provide evidence of payment to the standard required.

## 9.6 Personal Care

Item	Guidance on calculation	Amount	Evidence
Hair Hygiene	Allowance made where service user unable to wash own hair and is not provided as part of the care package. Washing and shampoo costs only. Actual costs up to maximum amount	Actual cost up to maximum of £5 per week	Receipts covering at least a 4 week period
Chiropody	Where paid privately. Actual costs up to maximum amount	Actual cost up to maximum of £4 per week	Receipts covering at least an 8 week period
Dietary.	Discretionary as special dietary needs may not be more expensive than normal. Special dietary needs should be considered where they are likely to improve / maintain the service user's health. Additional food costs over weekly allowable expenditure on food : <i>single £35 /couple £60 per week</i> will be considered .	Actual cost above weekly allowance up to maximum of £5 per week for a single person and £10 per week for a couple	Proof of medical condition

Bedding	Actual cost of Kylie Sheets, waterproof protector, anything related to incontinence not provided by the NHS		Receipts of purchase
Incontinence Pads and other health aids	Incontinence pads/health aids are usually provided free of charge by the NHS. Any additional expenditure will be considered depending upon individual circumstances. Actual costs up to maximum amount	Actual cost up to maximum of £10 per week	Presentation of receipts
Privately arranged care	Actual cost if Care Manager confirms requirement as part of the Care Plan and Council supported care has been reduced accordingly	Actual cost	Signed receipts for at least 4 weeks using a standard receipt book
Clothing	The cost of special or additional clothing or shoes may be allowed where this has been shown to be necessary by a health professional e.g. occupational therapist or district nurse. Cost to be averaged over a 12 month period. <i>An indicative guide to clothing costs is shown in the notes below</i>	Actual cost up to maximum of £8 per week	Confirmation from Occupational Health or District Nurse
Prescription Charges	Allowance made for purchasing creams, e.g. E45. Deep Heat, preparation of pill box etc.	Cost of an annual season ticket divided by 52 or actual cost of prescriptions, whichever is less	For those not eligible for free prescriptions

## Notes

- 9.6.1 Clothing allowance is available with War Disablement Pension, which recognises extra wear and tear caused through incontinence and the use of an artificial limb.

## 9.7 **Specialist equipment**

<b>Item</b>	<b>Guidance on calculation</b>	<b>Amount</b>	<b>Evidence</b>
Wheelchair or motorised scooter	The allowance is based on the purchase costs averaged over 500 weeks (10 years) and covers insurance	£3.25 per week manual. £7.94 per week powered	Evidence of purchase. No allowance if equipment provided free of charge
Powered Bed	Actual cost divided by 500 (10 year life) up to a maximum	Actual cost up to maximum of £3.65 per week	Evidence of purchase
Turning Bed	Actual cost divided by 500 (10 year life) up to a maximum	Actual cost up to maximum of £ 6.32 per week	Evidence of purchase
Powered reclining chair	Actual cost divided by 500 (10 year life) up to a maximum	Actual cost up to maximum of £2.88 per week	Evidence of purchase
Stair Lift	Actual cost divided by 500 (10 year life) up to a maximum	Actual cost up to maximum of £5.11 per week	Evidence of purchase without DFG input
Hoist	Actual cost divided by 500 (10 year life) up to a maximum	Actual cost up to maximum of £2.51 per week	Evidence of purchase without DFG input

## 9.8 Transport

Item	Guidance on calculation	Amount	Evidence
Transport	Discretionary cost. Allowed on the basis that costs that are greater than those incurred by an able bodied person. If mobility component is awarded only costs above mobility component should be allowed. See <i>note below</i>	<p><b>Hospital</b> - if in receipt of income support/guarantee credit, travel costs may be recoverable from the NHS. If service user travels by taxi, suggest they talk to Doctor/Consultant to arrange free hospital transport. No Allowance</p> <p><b>Maximum costs</b> – community wheels cost or taxi costs where no cheaper alternative is available, practicable or reasonable. Actual cost but with following guidelines Max £10 per week + £6.00 for carer</p> <p><b>Leisure</b> - costs to maintain social contacts, or fulfil recreational needs will be allowed where the costs incurred are greater than those incurred by an able bodied person. Actual costs</p>	Presentation of receipts

### Notes

- 9.8.1 Mobility Allowance cannot be included in the normal financial assessment as an income but the statutory guidance states that transport costs should be allowed where necessitated by illness or disability, over and above the mobility component of DLA if in payment. Therefore no further transport costs are allowed if Mobility Allowance covers them.

## 9.9 Other costs incurred as a result of disability

<b>Item</b>	<b>Guidance on calculation</b>	<b>Amount</b>	<b>Evidence</b>
Any other costs incurred as a result of disability	Additional costs of holidays, costs of other treatments, e.g. osteopathy if need confirmed by medical practitioner	Actual cost	Presentation of receipts/ evidence of cost and medical report or care plan confirming need.

### Notes

- 9.9.1 In assessing DRE, the additional costs for a partner or companion for the specialist holiday should be considered. This applies where costs exceed the average cost of a holiday because of the disability of the service user.
- 9.9.2 Allowance can be made for 1 holiday per year on the basis of 12 months following expenditure. This allowance will not continue beyond this period unless a further holiday is taken.

## 10 **Appendix 10: Independent Living Fund (ILF)**

- 10.1.1 The Independent Living Funds (ILF) are two funds set up and financed by UK central government:
- i. The Independent Living (Extension) Fund which is closed to new applications, administers the payments to clients of the original ILF (prior to April 1993).
  - ii. The Independent Living (1993) Fund which is open to applications from severely disabled people who meet its eligibility criteria and are permanent residents of the United Kingdom.
- 10.1.2 The Independent Living Funds were set up as a national resource dedicated to the financial support of disabled people to enable them to choose to live in the community rather than in residential care.
- 10.1.3 The Funds are a Non Departmental Public Body. For both Funds, awards are in the form of regular four-weekly payments to individuals, which are used to buy personal care in the community. Recipients may use care agencies or employ personal assistants.
- 10.1.4 In order to be eligible to access funding on the 1993 Fund, a client needs to be in receipt of:
- i. The high rate of DLA, and
  - ii. receives at least £200 worth of services from their local authority each week, net of client charges ( unless paragraph iii below applies).
  - iii. For all new applications received by ILF the minimum contribution required from the LA will be £16,640 per year or £320 per week. This means that the ILF will not be able to start making payments to any new applicant who has less than this amount provided by their LA.
- 10.1.5 The service users must be at least 16 and under 66 years of age.
- 10.1.6 The service user and / or partner must have less than £23,000 of capital and savings.
- 10.1.7 The ILF can contribute to the cost of care services over the local authority funding up to a limit of £815 per week.

10.1.8 The ILF undertakes their own means test for charging, which means that service users will be required to make a contribution based on the Disability Living Allowance care component and the Severe Disability Premium. This results in a loss of benefits for the service user but is off set by the service user claiming ILF funding.

<b>Benefit (09/10)</b>	<b>Benefit Amount £</b>	<b>Contribution to ILF £</b>
Disability Living Allowance	70.35	35.18
Severe Disability Premium	52.85	52.85
<b>Total</b>	<b>123.20</b>	<b>88.03</b>

10.1.9 The ILF will reduce their charge to an individual by the amount of any charge that social care levy against the person. This means that, in effect, the total charge made to the individual will be the maximum ILF charge, which may be a combination of ILF and social care charging.

10.1.10 To determine the local authority funding a Fairer Charging financial assessment is required. The local authority funding must not fall below the minimum LA contribution.

10.1.11 This is because the LA has the primary responsibility for meeting care needs. ILF funding can only be accessed if the LA meets the first net £320 of a care package. If there is any reduction in the care package then this should be reflected in the amount paid by the ILF, not the LA.

10.1.12 Where a person is in receipt of ILF funding, special rules relating to the treatment of Disability Related Expenditure (DRE) will apply. See appendix 9).

10.1.13 The approach to take for financial assessments depends upon which agency completes the financial assessment first. In the following example, the Authority completes a Fairer Charging assessment first and an application is made for ILF funding. The outcome of the FC assessment is a £30.00 contribution per week.

10.1.14 When the ILF forms are completed the service user will be asked how much they are contributing.

<b>ILF Example 1</b>	<b>£</b>
Package Cost	500.00
<b>Funding</b>	
Fairer Charging client charge	30.00
LA funding	320.00

ILF Client Contribution	58.03
ILF Contribution	91.97
Total Funding	500.00

- 10.1.15 If the FC assessment had not been completed before the ILF assessment or the FC outcome was a nil contribution after allowing for disability costs, the position would be as follows:

<b>ILF Example 2</b>	<b>£</b>
Package Cost	500.00
<b>Funding</b>	
Fairer Charging client charge	0.00
LA funding	320.00
ILF Client Contribution	88.03
ILF Top Up	91.97
Total funding	500.00

- 10.1.16 The ILF will undertake a financial reassessment if notified of any change to the LA client charge (whether that be an increase or decrease).

## 11 Appendix 11: Further details relating to Housing related expenditure

### 11.1 Rent (including Ground Rent)

11.1.1 Allowance is made in the assessment for the weekly rental charged on the service user's home, minus any housing benefit payment.

### 11.2 Mortgage payments

11.2.1 Allowance is made for mortgage repayments and endowment repayment costs not covered by Income Support or Pension Credit. If any Income Support or Pension credit housing costs payment or Housing Benefit is claimed the deduction will be net of these payments.

11.2.2 If any benefit could be claimed to cover these costs but the service user, without good cause, does not make a claim it will be assumed that the claim has been made and the benefit is being paid.

### 11.3 Council Tax

11.3.1 If any disability reduction, single person discount, Council Tax benefit or second adult rebate has been claimed (or could be claimed) the deduction will be made net of these payments.

### 11.4 Maintenance Payments/Service Charges

11.4.1 Such charges are usually payable by service users living in leasehold properties, warden-assisted flats etc. and may include elements that have already been allowed for in the 25% buffer.

11.4.2 The Welfare and Financial Assessment Officer will request a full breakdown of what is included in any maintenance or service charge payable and only that part of the payment remaining, after deducting the following items, will be allowed and included in the disregarded amount:

Water Rates	Lighting	Food
Sewerage Rates	Building Insurance	Clothes
Heating/Gas and Electricity	Contents Insurance	Telephone Charges
Transport (including bus fares)	Transport to, from and within Day Services	T.V. Licence
Subscriptions to Satellite and Digital TV	Repairs to and replacement of	

	household items	
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11.4.3 Some of the items on this list may be identified by the client as Disability Related Expenditure and may, in exceptional circumstances be allowed for under that part of the assessment. For example, water charges will be allowed only where the supply is metered and it can be shown that water usage is high because of the service user's disability.

## 11.5 **Household Expenses**

11.5.1 If other members of the home contribute towards the household expenses then the total of these weekly costs should be divided equally amongst them. An exception to this would be allowed if there were documentary evidence to indicate that the service user's actual share of the household costs is higher than an equal share.

11.5.2 If the service user is a non-householder but lives with family or other adult (not a partner) and is not formally responsible for any items of house-related expenditure but makes a voluntary contribution, a letter, signed by the person receiving the contribution detailing the payment, is required before that expenditure can be taken into consideration. This will be subject to maximum limits in line with non-dependent deduction rates used for other social security benefits.

11.5.3 When a service user is living with a relative or for some other reason is unable to claim Housing Benefit or Income Support/Pension Credit housing costs, the Housing Benefit and Council Tax benefits non-dependent deductions towards housing costs will be allowed. In circumstances where the service user can show that they are justifiably paying more than this towards the household's housing costs, their contribution towards these above the non-dependent allowances would need to be proportionate with their income.

## 12 **Appendix 12: Welfare Rights / Benefits Check: Brief Outline of the Approach**

### 12.1 **General**

12.1.1 A welfare benefits check is automatically available as part of the financial assessment. The aim is to help service users maximise their income. The service will include advice about entitlement; help with completion of benefit claims and follow-up action at the request of the user.

### 12.2 **Identifying Entitlement to Benefits**

12.2.1 This is approached in an ordered way by firstly assigning benefits into three groups:

#### **1) Group 1 Contributory Benefits**

12.2.2 These are benefits that are dependent upon payment of National Insurance contributions, and include the following:

- Contributory Jobseekers Allowance
- Incapacity Benefit/ Employment Support Allowance (contribution based)
- Bereavement payments
- Widowed Parents Allowance
- Bereavement Allowance
- State Retirement Pension

#### **2) Group 2 Non-contributory non-means-tested benefits**

12.2.3 These benefits are awarded in recognition that certain groups have the right to assistance regardless of their financial circumstances and whether, or not, they have made National Insurance contributions.

- Attendance Allowance
- Disability Living Allowance
- Maternity Allowance
- Carers Allowance
- Industrial Disablement Benefit
- Incapacity Benefit (non-contributory)
- Employment Support Allowance (non-contributory)
- Child Benefit
- Guardians Allowance
- Statutory Sick pay
- Statutory Maternity Pay

- Severe Disablement Allowance (new claims abolished from April 2001)

### 3) Group 3 Means tested benefits and Tax credits

12.2.4 Entitlement to these benefits is dependent upon a service user's income in relation to the income threshold set by the Government. The income levels are increased each year in line with inflation.

- Pension Credit (Guaranteed)
- Pension Credit (Savings Credit)
- Income Support
- Income based Job Seekers Allowance
- Housing Benefit
- Council Tax Benefit
- Working Tax Credit
- Child Tax Credit
- Social Fund

### 12.3 The Approach

12.3.1 It is important that the benefits in each group are checked systematically starting with the benefits in Group 1 and then working through the other groups. This is because when certain disability related benefits in Group 2 are in payment this could increase the amount of benefits the service user is entitled to in Group 3. For example, if a client receives Attendance Allowance then they will be entitled to an increased amount of income support/pension credit, if they have below the amount that the government says they will need to live on, given their particular set of circumstances.

12.3.2 It is important to ensure that the benefits identified as possible entitlement can be paid together. Some of the benefits in Group 1 and 2 cannot be paid together because of what is called 'the overlapping rule'. If there is an entitlement to overlapping benefits, claimants will actually receive the benefit that is worth the most money. In such circumstances only one benefit will be paid. The benefits to which this could apply are:

- Jobseekers Allowance (contributory)
- Incapacity Benefit/ Employment Support Allowance
- Widowed Parents Allowance
- Widow's Pension
- Bereavement Allowance
- Statutory Maternity Allowance
- Carer's Allowance
- Severe Disablement Allowance

12.3.3 The basic rate of these benefits do not overlap if they are paid to an individual within a couple. For example, a wife may receive Jobseekers Allowance at the same time as her husband receives Incapacity Benefit.

12.3.4 Entitlement to Group 3 benefits is dependent upon the income and capital of the claimant. Entitlement can also be dependent upon the income and capital of other household members and is based upon the “applicable amount”. The applicable amount is the minimum amount the government says that a person needs to live on, dependant upon their age and circumstances.

12.3.5 For individuals living in their own home the applicable amount is made up of three separate elements.

(1) Personal Allowance

This is a set rate dependent upon age, whether or not the claimant is single or one of a couple, whether there are children, and the ages of any children.

(2) Premiums

These are set rates that may be awarded in addition to the personal allowance for people with dependant children, people with disabilities, carers, and widows/widowers.

(3) Housing Costs

This is an amount that covers some housing costs, principally mortgage interest.

## 12.4 **Treatment of Income in relation to Group 3 means-tested benefits**

12.4.1 Non-means tested benefits generally count in full as income, with the exception of Attendance Allowance and Disability Living Allowance which are completely disregarded.

12.4.2 There are various types of income e.g. earnings, benefits, war pensions, occupational pensions etc. Some types of income are either fully or partially disregarded for benefit purposes, others count in full.

12.4.3 A claimant's Income Support/Pension Credit or Income Based Jobseekers Allowance are calculated by comparing their current income with the “applicable amount”. If the claimant's income is less than the applicable amount the claimant will be paid an amount of money to bring their income level to the applicable amount. This difference is paid as either income based Jobseeker's Allowance, or Income Support/Pension Credit.

12.4.4 The purpose of identifying additional benefit entitlement is to maximise a service user's potential income from state benefits. When calculating entitlement to means tested benefits, the basic principle is that the more benefits an individual is entitled to, the higher the applicable amount will be (based on the additional extra amounts).

12.4.5 For example, if a claimant receives any of the non-means tested benefits listed below, it guarantees the inclusion of one or more premiums to the applicable amount.

- Incapacity Benefit (long term rate)
- Non-Contributory Incapacity Benefit (long-term rate)
- Employment Support Allowance
- Carer's Allowance
- Attendance Allowance
- Disability Living Allowance
- Child Benefit
- Severe Disablement Allowance
- Bereavement Allowance

12.4.6 Claiming either Attendance Allowance (AA) or Disability Living Allowance (DLA) has a significant effect in relation to many other benefits because, whilst they are disregarded for benefit applications, they increase the amount of benefits that a person is entitled to receive.

## Appendix 13: Appeals Overview

