

# Understanding & Preparing for Your Financial Assessment

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# Understanding & Preparing for Your Financial Assessment

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**This assessment applies to all people receiving non-residential services (care at home) community activities including Direct Payments and people receiving short breaks / respite care.**

## **Why do I need a Financial Assessment?**

1. Before we decide if you are eligible for funding, we will first carry out an assessment of your care needs. If you have 'eligible needs' that qualify for help from us, a member of our Welfare and Financial Assessment Team will contact you to carry out a Financial Assessment.
2. Everyone who is assessed and offered care and support services by Herefordshire Council Adult Social Care will be offered a financial assessment. Herefordshire Council needs to carry out financial assessments to see how much you may need to contribute, if anything, towards the cost of your care and support.

## **What is a Financial Assessment for Social Care & Support?**

1. A financial assessment (sometimes called a means-test) is used to work out how much you need to pay towards your care. A Financial Assessment Officer will contact you to discuss your financial situation.
2. If your care assessment shows that you need help urgently, then this will be in place before your financial assessment is completed, and charges will apply from the date services are provided.
3. If you decide not to tell the Herefordshire Council about your financial circumstances, you can be charged for the full cost of your care and support.
4. Not everyone will pay for their care and support
5. Look at the list below before your assessment takes place, and prepare.

## **Financial Assessment is in two parts.**

- a. Part one - looking at money you receive (income) and savings and property you own (capital excluding the home you live in).
- b. Part two - looking at what you spend, including housing costs such as council tax, rent/ mortgage plus any disability related expenditure

# Part one

## Section 1

### **Your income - money coming in**

We will ask you about the money you have coming in. The main examples of this are listed below. You may have other money coming in. You will be asked to provide information and evidence about these, for instance your pension paperwork or your Universal Credit journal.

- State Pension
- Private Pension
- Occupational Pension
- Disability Living Allowance (DLA) / Personal Independence Payment (PIP)
- Employment and Support Allowance (ESA)
- Attendance Allowance
- Pension Credit
- Universal Credit (UC)
- Income from Equity Release
- Annuities

## Section 2

### **Your capital - savings and assets.**

We will ask you about your savings, and any assets you have. You must show us bank statements and other official information about what you own, such as for a house or other property excluding the home you live in.

#### Examples

- Bank/building society accounts
- Property (other than the one you live in) / land you own
- Unit trust funds / ISAs
- Stocks and shares / Premium Bonds

If you have:

Money in the bank, investments or savings of more than £23,250, you'll have to pay the full cost of your care.

BUT, you will pay less if you have less money. If you have savings over £14,250.00 we will look at you having Tariff Income as this could affect the amount you will be assessed to pay. See the glossary for the details

For people receiving non-residential services (home care) short breaks / respite care, we do not consider the value of the home you live in.

## Part two

### Section 3

#### **Housing related expenditure.**

Housing related expenditure is money that you spend related to your home that you are legally liable to pay, such as rent or mortgage, council tax, ground rent, service and or maintenance charges, buildings, and or contents insurance.

You will be asked to provide information and show evidence about these.

### Section 4

#### **Disability Related Expenditure (DRE).**

##### **What is Disability Related Expenditure?**

Disability related expenditure is money which you would not need to be spending if you didn't have your disability or illness.

It does not normally include general household expenditure such as food, furniture etc., unless directly related to a disability or illness as in the case of specific use to meet these needs.

An allowance is made for general spending within the assessment review. This allowance is called the Minimum Income Guarantee. The Minimum Income Guarantee is a weekly amount of your money set by the government as the minimum amount you need to live on. This amount is excluded from any contribution.

Disability related expenditure is explained below.

##### **What are examples of Disability Related Expenditure**

Official health guidelines says these are included:

- any community alarm system
- Specialist items to meet the adult's disability
- Privately arranged care services, which includes respite care

If you think you have Disability Related Expenses, you will need to tell us about them. Check your Care Plan as this can be a guide. You need to have proof of what you pay out.

- Tell us how much you are paying
- Provide evidence of the expenses (receipts, bills etc.).

More examples of Disability Related Expenditure.

##### **Looking after your home**

- Do you spend more on electricity, gas, heating oil or solid fuel? We will look at your costs to see if they are higher than average. This might be because you require heating for longer periods, or at a higher level. This might be due to reduced mobility; or because you need to have the lights on overnight.



- How much do you spend on heating and lighting in your home? You will need to show us the last 12 months of your bills.
- You will need to explain how your illness or disability affects the amount of fuel you use.

### **Looking after yourself**

- Do you have a lifeline system? This might be because you are at a risk of falls. You will need to show us your bill or payment going through your bank account.
- Do you spend more on your clothing? This might be due to repetitive behaviour patterns meaning your clothes wear out quickly, or incontinence, or you need specialist clothing because of your disability or illness.
- How much do you spend on clothing? You will need to show us your receipts and explain how your illness or disability affects your clothing costs.

### **Other areas you may need to think about include**

- Food - do you need to have specific foods because you have coeliac disease, or another condition? You will be required to provide confirmation of your diagnosed condition or identified need by a GP or your Consultant.
- Assistive living items, such as lifeline alarms
- Garden maintenance (basic maintenance to access your property, not landscaping)

The above are examples only.

Any of the above may be a Disability Related Expense. Remember each assessment will be based on you, and your own requirements to meet your disability.

In the case of a new financial assessment, Disability Related Expenditure older than 12 months are not included. For ongoing financial assessment reviews, changes to your disability related expenditure will need to be reported to us within 28 days of these changes. You will be required to provide proof of the payment you have made.

### **What happens next?**

After your assessment, your Financial Assessment Officer will work out how much, if anything, you will need to pay. This is called your assessed weekly charge or maximum charge.

They will look at:

- Your income
- Your capital
- Your disability related expenditure
- Your personal allowance

A personal allowance called the Minimum Income Guarantee is set by the government. It's the minimum amount you need to live on. This amount is excluded from any contribution.

- Sometimes we might find that you are not claiming all the benefits which might help you.
- It is important that you claim any benefits to which you are entitled as this could provide extra money to help contribute towards the cost of your care.

- If you have a partner who you live with, we would need to see details of your partner's income and capital to complete a full benefits check. This is to ensure you are getting your full Welfare Benefit entitlements.

### This table shows how we work out your charges

<b>How we work out charges for care and support at home, in the community</b>
We add up your income, including disability related benefits (some income is ignored)
Plus
If you have capital between £14,250.00 - £23,250.00 for every £250 or part of £250 above £14,250, you are treated as if you have an extra £1 a week called tariff income
Minus
Housing Related Expenditure (such as rent, mortgage, home insurance, council tax)
Minus
Disability Related Expenditure (extra expenses you have because of your disability)
Minus
Minimum Income Guarantee (MIG)*
*The minimum amount you must be left with to pay for daily living costs like food and utilities
Equals
Service User Assessed Client Charge*
* This is the maximum amount a person will pay.

### What happens if I do not agree with the assessment?

If you disagree with your assessed contribution, please contact the Welfare and Financial Assessment Team on 01432 383444. If you are not satisfied, then you may wish to use the appeals procedure to request a reconsideration of your assessment or to formally appeal the decision.

### What happens if my financial circumstances change after the financial assessment?

You can ask us to review your charges at any time if your circumstances have changed. We will also do this when the state benefits change. This is usually in April of each year. If we identify an unclaimed Welfare Benefit and/or you get more benefit after we have completed a financial assessment with you, you must tell us straight away when you get the extra benefit as this may affect how much you should pay. We will take this extra benefit into account from the date of the original financial assessment unless the benefit is awarded from a later date, then we will use the date of the benefit award.

It is important that you tell us straight away about any change of financial circumstances. This may include an increase/decrease or change in any benefits, savings, income and disability related expenses that we have included in your financial assessment within one month of the date it happened. If you don't tell us about a change of circumstances it may result in you having to pay a large bill at a later date.

## Glossary

### **Annuity**

A financial payment which pays a fixed amount of money that you will get each year typically for the rest of your life. It may be a lump sum you have invested. You may receive the money monthly, quarterly, bi-annually or annually.

### **Assessed weekly charge**

This is the maximum amount you will pay towards any care you receive at home that Herefordshire Council pays for.

### **Assisted Living**

Housing or living arrangements for people, in which additional services such as care alarm, meals, support or care, and other assistance is available to residents as needed

### **Capital**

Savings, investments or money tied up in property.

### **Charges for Self-Funders**

If you ask us to arrange your care for you, we will charge you a flat rate fee. This will cover the council's costs of finding a care provider and negotiating a rate on your behalf; the provider will charge you directly for the services you receive. If you ask the council to arrange your care for you by entering into a contract with a care provider, we will charge you an administration fee to cover our costs. This covers the council's costs for making payments to your care provider and sending invoices for your care charges. These charges are in addition to your care fees.

### **Disability related expenditure**

This is money relating to your disability, which you would not be spending if you did not have the disability. It is explained in full on pages 5 and 6.

### **Domiciliary care**

The care people receive in, or based from, their own homes, which includes short breaks and respite care. It does not include care for people who live in care homes.

### **Care and Support Charging Policy**

This is the policy which explains how much people must pay towards their domiciliary care

### **Financial Assessment Officer**

The person from Adult Care, Community Wellbeing who carries out your financial assessment. They will always call to make an appointment. They will always have a Herefordshire Council ID card with them if visiting you, so you know they are who they say they are.

### **Housing related expenditure**

This is money you spend directly related to your house – rent or mortgage, and council tax payments.



## **Income**

Money you have coming in regularly, for instance pension payments or other benefits you get from the government.

## **Maximum charge**

This is how much you should pay towards care in your own home following a financial assessment.

## **Means testing**

Looking at your finances to work out whether you qualify for financial help from the government or local council. Social care is usually means-tested.

## **Minimum Income Guarantee**

A personal allowance set by the government as the minimum amount you need to live on. This amount is excluded from any contribution.

## **Self-Funder**

A person who is paying for all of their own care themselves (full charge payer), rather than getting financial help from the local council. This could be a choice or as a result of their local council's means test.

## **Social care**

Help and support services provided to people who need them, for example because of illness, disability or old age. Social care helps people to carry out every day personal care needs, like washing, dressing, and eating or drinking – it doesn't include healthcare. It might be provided at home or in a care home.

## **Tariff Income**

If you have capital, sometimes known as savings and investments, we will ignore some of its value when we work out how much income you get from it. For every £250, or part of £250 over this amount, £1 will be taken into account as weekly income. We call this tariff income and it will be added to the other money you have coming in each week when we work out how much you should pay.

Savings between £14,250 and £23,250 are assessed as if you have an assumed (or 'tariff') income. For every £250 or part of £250 above £14,250, you are treated as if you have an extra £1 a week income

**Example:** If you have capital of £14,750 you are treated as having £2 a week income (two lots of £250)

Savings less than £14,250 in assessable savings, we will work out if you need to contribute (and how much) from your assessable income

## **Utilities**

This is the supply of services such as water, gas and electricity to your home

## **List to help prepare for your financial assessment**

To help us carry out the Financial Assessment and to check that you are getting all the benefits you are entitled to, please have the following information available for your appointment

### **Personal and housing information**

1. Information/details of any legal representatives for you e.g. Power of Attorney
2. Who else lives in your household with you
3. Information about the property you live in e.g. how much is your rent/mortgage, who is your mortgage with, who is your landlord etc.

### **Savings and investments**

We need to know about all savings, property and investments you have – We need to see the

- balance amount
  - date balance/amount
  - last four digit of account number/ref number.
4. Latest Bank Statements (all accounts; including any Post Office Card accounts, Building Society Accounts etc.)
  5. Latest Bank Statements Details of any investments e.g. ISA's, PEPS, shares
  6. Details of Income Bonds, Premium Bonds or National Savings Certificates
  7. Details of any other property/land you own EXCLUDING the home you live in

### **Weekly income**

We need to know about all income you receive.

8. Details of any benefits you receive (E.g. PIP, DLA, Attendance Allowance, Employment support allowance, Universal credit, State Pension etc.)
9. Details of any occupational pensions, private pensions, annuities etc.
10. Details of any other income e.g. Salary/Earnings
11. Do you receive housing benefit or council tax reduction
12. Any Income from Trusts

## **Housing and disability related expenses**

We only need to know about disability & housing related expenditure.

Everyday household living costs such as food, TV, phone, car insurance, loans and personal expenses are not included. These costs are allowed for in the minimum income guarantee which we allow as part of your financial assessment.

13. Details of how much you pay for your building and contents insurance
14. Utilities - how much do you spend on your Gas/Electricity, Other fuel (coal, oil, logs) Water.
15. Privately Arranged care – Do you arrangements in place regarding your personal care. E.g. someone to help you shower/ bathe, chiropodist etc.
16. Specialist Items - Have you purchased items such as a specialist bed, specialist chair, hoists, trolley, community care alarm, wheelchairs, specialist cushions, stair lift etc.
17. Maintenance - Maintenance of specialist items such as wheelchairs, stair lifts, hoists or do you have excessive wear and tear on property or clothing etc.
18. Medical Problems - Resulting in prescription charges, therapies or treatments not already funded through adult social care.
19. Domestic Help - Do you have help with cleaning, gardening, laundry, shopping etc.
20. Other - We can consider any cost you may incur as a direct result of an illness or disability that you wouldn't otherwise have.

We will discuss these areas in detail during your financial assessment and answer any questions you may have.

**For more information on financial assessments please contact the Welfare and Financial Assessment Team on 01432 383444 or email [financialassessments@herefordshire.gov.uk](mailto:financialassessments@herefordshire.gov.uk)**

**If you would like help to understand this document or would like it in another format or language, please call 01432 383444 or email [financialassessments@herefordshire.gov.uk](mailto:financialassessments@herefordshire.gov.uk)**

[www.herefordshire.gov.uk](http://www.herefordshire.gov.uk)