



Non-Residential Care Charging Policy

October 2023



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1. Introduction

This policy sets out how Lancashire County Council is allowed to charge a contribution for non-residential adult care services following a financial assessment under duty under sections 14, 17 and 18 of the Care Act 2014.

2. Policy aim

This policy aims to provide a fair and consistent charging framework in accordance with the guidance set out by the Department of Health and Social Care. The contribution will be calculated openly and transparently, and individuals will be treated in a fair and equitable manner.

3. The Legal Framework

Before charging, Lancashire County Council must carry out a financial assessment of what you can afford to pay and give you a written record of the completed assessment, explaining how the assessment has been carried out, what the charge will be and how often it will be made, and, if there is any fluctuation in charges, the reason.

Lancashire County Council should ensure that this information is provided in a manner that you can easily understand. We must regularly reassess your ability to pay and take account of any changes to your resources, particularly when there is a change in circumstance or at your request.

The Care Act 2014 also requires local authorities to develop and maintain a policy setting out how we will charge you in non-residential care settings and, in deciding what it is reasonable to charge, we must ensure we do not charge more than is permitted under the regulations and corresponding guidance.

You are only required to pay what you can afford in accordance with the financial assessment process. You may be entitled to financial support based on a means-test while full cost charging will be applied if you can afford it. If you are assessed to pay you will only ever be charged the maximum assessed charge for means-tested services.

Lancashire County Council must not charge more than the cost incurred in meeting your assessed needs.

Lancashire County Council must also provide [information and advice](#) in a suitable format to ensure that you (or your representative) are able to understand any [contributions](#) you are asked to make. We should also make you or your representative aware of the availability of independent financial information and advice.

Please note that for residential care (*will be linked to Residential Charging Policy when approved*), Lancashire County Council will calculate contributions towards the cost as laid down by the Care Act 2014.



4. Principles

The key principles of this policy are:

- The full cost of services is recovered from you where you have the financial resources to pay in accordance with a financial assessment.
- Contributions will be calculated by an individual financial assessment.
- Individual financial assessments will ensure you contribute based on your ability to pay.
- The appropriate contribution will be calculated fairly and promptly. In most cases this will mean that a financial assessment will be completed within 28 days of the start of the non-residential care package.
- If the service you choose exceeds your personal budget, you will be asked to provide a 'top up payment'.
- If you fail or refuse to complete a financial assessment, you will be treated by Lancashire County as a self-funder who is responsible for the full cost of their care.
- The financial assessment will ensure you retain a certain level of income to cover your living costs (Charging for Care and Support: Local Authority Circular (LAC) 9.3.2023). This is known as the minimum income guarantee (MIG) and is set by the Department of Health and Social Care. No contribution for services within the financial assessment process will apply where income is equal or lower than this level.
- You will receive a benefit check as part of the financial assessment to maximise your full benefit entitlement.
- Any contribution will not exceed the cost of providing a service.
- You have a right to decline a financial assessment and may instead choose to pay the actual cost of the service.
- Where contributions are not made, debt recovery will be pursued for all outstanding contributions which may be through legal action and/or the use of external agents.
- In all cases, irrespective of setting, employed and self-employed earnings are fully disregarded.
- Where disability benefits are taken into account as income, allowances will be made for disability-related expenses.
- You have a right to appeal if you feel the financial assessment has been completed incorrectly.
- All personal information will be treated in confidence in accordance with data protection legislation. However, as Lancashire County Council has a duty to protect the public funds it administers, information provided may be shared with other public bodies administering public funds and may also be used for the prevention and detection of fraud or financial abuse.

5. To whom does this policy apply?

This policy applies to all adults and young people over 18 who are in receipt of non-residential care and support where Lancashire County Council is entitled to charge under the Care Act 2014.



The non-residential charging policy relates to people who receive care services such as care at home, day care attendance, direct payments/personal budgets and other services provided or arranged by the Lancashire County Council to the individual whilst they live at home.

In the main, this policy covers adults and young people over 18 who are receiving non-residential care and support from Lancashire Adult Services. The policy does not cover those young people over 18 who may still receive care and support from Lancashire Children's Services under the Staying Put arrangement, or whom the Local Authority have statutory duties to support under the Children (Leaving Care) Act 2000.

6. What services does this policy cover?

Non-residential care services are services provided to adults whilst they are living at home i.e. not living in a residential or nursing care home.

The principal non-residential services which we charge for are:

- Home Care (care provided in your own home)
- Care and support in prisons.
- Short Break which includes Day Time Support (Day Care) or overnight in a residential care home
- Direct Payments/Personal Budgets.
- Supported Living.
- Outreach Services.
- Shared Lives.
- Technology Enabled Care – (relevant section on page 11).

Charges are based on the agreed level of service. If you fail to give 3 days' notice to cancel or change your care arrangements, you will be charged in accordance with the planned service unless you have been taken into hospital as an emergency.

7. What does Lancashire County Council NOT charge for?

Lancashire County Council does not charge for certain types of care and support which must therefore be arranged free. These are:

- Crisis care for the first 3 days.
- Intermediate care, including [reablement](#), which is provided free of charge for up to six weeks AND whilst a reablement outcome is still viable.
- Day Time Support (Day care) when it forms part of an individual's residential care contract.
- Community equipment (aids and minor adaptations). Aids must be provided free of charge whether provided to meet or prevent/delay needs. A minor adaptation is one costing £1,000 or less.
- Care and support provided to people with Creutzfeldt-Jacob Disease (CJD).
- After-care services provided under section 117 of the Mental Health Act 1983.

8. Establishing whether someone has Mental Capacity



At the time of the assessment of needs, Lancashire County Council must establish whether you have the capacity to take part in the assessment. If you lack capacity, Lancashire County Council must find out if you have any of the following as the appropriate person will need to be involved in both the needs and financial assessment:

- enduring power of attorney (EPA).
- lasting power of attorney (LPA) for property and affairs.
- property and affairs deputyship under the Court of Protection.
- any other person dealing with that person's affairs (for example, someone who has been given appointeeship by the Department for Work and Pensions (DWP) for the purpose of benefits payment.

9. The financial assessment process

The financial assessment team are automatically notified whenever chargeable services are arranged by Lancashire County Council. The team will contact you or your representative to arrange for a financial assessment officer to complete a financial assessment. The financial assessment officer will obtain information regarding your assets, income, savings, investments, expenses and expenditure, which may be verified with the Department of Works and Pensions. This information is then used to calculate how much you will contribute towards the cost of the care provided to you.

As part of the financial assessment the financial assessment officer will complete a benefit check to ensure that you are receiving your full entitlement to benefits.

10. Calculating the contribution

The financial assessment process will be based on the definitions within the Care Act 2014.

The basic principle of the financial assessment calculation is:

$$\begin{array}{r} \text{Individual Income} \\ \textbf{Less} \\ \text{Minimum Income Guarantee (Living Costs)} \\ \textbf{Less} \\ \text{Housing Costs and Expenses} \\ \textbf{Less} \\ \text{Disability Related Expenses} \\ \textbf{Equals} \\ \text{Net Disposable Income (Available Income for contribution)} \end{array}$$

You will be asked to contribute 100% of your Net Disposable Income (NDI).

The actual contribution will be the lower of either 100% of your NDI or the actual cost of the service provided.



If you are assessed as having a net disposable income of less than £5.00 you will not have to contribute towards the cost of the service.

10.1 Capital

Capital can include any of the following:

(This list contains examples and is not exhaustive. For a complete list please refer to the

[Care Act 2014 Annex B: Treatment of Capital](#))

- Money in bank and building society accounts.
- Investment Bonds (dependant on type and date purchased).
- Stocks and shares (less 10% selling cost).
- Premium Bonds.
- National Savings Certificates.
- Capital from certain personal injury compensation awards and trust funds.

Where you have assets between the lower and upper capital limits Lancashire County Council must apply tariff income. This assumes that for every £250 of capital, or part thereof, you are able to afford to contribute £1 per week towards the cost of your eligible care needs.

If your capital (excluding the value of their main home) exceeds the upper capital limit of £23,250 as specified with in the Care Act 2014, you will be required to pay the maximum charge for services.

- The maximum charge for home care and supported living services is the actual cost of services paid by Lancashire County Council.
- The maximum charge for day care services is the actual cost of the day care service paid by Lancashire County Council.
- If you are in receipt of a personal budget/direct payments, the value of your personal budget is the maximum amount you would contribute.

10.2 Income

You will be offered the opportunity to have a full financial assessment to calculate your contribution. It is your responsibility to provide all the relevant information requested in order to complete your assessment and failure to satisfy the financial assessment officer will result in the maximum contribution being applied.

Not all types of income are taken into account within the financial assessment process.

[The Care Act Annex C: Treatment of Income](#) provides guidance to local authorities on the treatment of income within the financial assessment.

As per current Department of Health and Social Care guidance, the financial assessment will ensure you retain a level of income to cover your daily living costs. This is known as the minimum income guarantee (MIG).



The level of Income retained by you is to ensure you are able to meet your basic living costs such as food, clothes and household costs. This must be after any housing costs such as rent and council tax and after any benefits provided to support these costs are paid and after any disability related expenditure.

10.3 Disability Related Expenses (DRE's)

Disability related expenditure is considered as a reasonable additional expense that you may incur due to illness or disability.

If you are in receipt of disability benefits, and unless you state otherwise, a standard allowance of £10.00 per week will be allowed.

If you wish you can have a full DRE assessment, instead of accepting the standard £10.00 per week allowance. This will require the provision of supporting documentation (such as receipts and invoices). The relevant expenses must be directly and solely attributable to your disability or illness, and specifically to social care needs, as opposed to medical care needs.

Where receipts and other supporting information are not available at the time of the financial assessment visit, a period of 28 days will be allowed for these to be provided. If they are supplied during this period, the financial assessment will be recalculated from the date of the original visit. If they are received outside the 28-day period they will only be taken into account from the date of receipt.

Claims for Disability Related Expenditure where the payment is made to family members will not be accepted other than in exceptional circumstances.

If a full DRE assessment is carried out, the resulting allowance made may be higher or lower than the standard £10.00 per week allowance offered originally; in either case the allowance subsequently calculated will be applied to the financial assessment, not the standard £10.00 allowance. Please note any allowance made for DREs, following a detailed evaluation, will not exceed the total value of disability related benefits awarded.

Examples of disability related expenses that can be included are as follows:

This list contains examples and is not exhaustive, any reasonable additional costs directly related to a person's disability should be included.

- Extra heating costs.
- Payment of privately arranged care necessary to meet the assessed social care needs, which would form part of the commissioned package of care if they were not provided privately.
- Excessive laundry costs and specialist washing powders.
- Purchase, maintenance, and repair of disability related equipment.
- Payment for any community alarm.
- Additional costs of special dietary needs due to illness or disability.
- Specialist clothing or footwear.
- Additional costs of bedding due to incontinence.
- Transport costs necessitated by illness or disability, including costs of transport to day centres, over and above the mobility component of DLA. In some cases, it may be reasonable for Lancashire County Council not to take account of

claimed transport costs – if, for example, a suitable, cheaper form of transport (e.g. council- provided transport to day centres) is available but has not been used.

10.4 Top ups

Where the service you choose exceeds your personal budget and is more expensive than how Lancashire County Council can meet your eligible care needs, you will be asked to provide a “top-up payment”. A discretion will be applied in exceptional circumstances.

The ‘top-up’ payment is calculated by subtracting the cost of the option identified by Lancashire County Council from the cost of the service you choose.

The “top up” payment will need to be paid directly to the service provider.

11. Couples

A couple is defined as two people living together as spouses or as partners.

Lancashire County Council is required to financially assess each of you, based on your own income, savings and investments. This is known as a 'single assessment'.

However, if you are considered to be part of a couple Lancashire County Council may financially assess your combined income, savings and investments to ensure your minimum level of income is protected. This is referred to as a 'couple's assessment'.

To enable a couple's assessment to be completed the financial assessment officer will need to gather all financial information in relation to both you and your partner/spouse. The financial assessment officer will undertake a benefit maximisation check for both of you.

If you have savings or investments held jointly with another person, it is assumed that 50% belongs to them, unless proven otherwise. This amount will be included as appropriate in their individual assessment.

Savings and investments belonging to both partners/spouses will be included in full as appropriate in the couple's financial assessment.

Where both partners/spouses are receiving care you will each receive an individual and a couple's financial assessment. Once the 'single' and 'couples' assessments have been completed the lower of these two assessed charges will apply.

12. Deprivation of financial assets

Deprivation as described in the Care Act 2014 is where a person has intentionally deprived or decreased their overall assets – either capital or income, in order to avoid or reduce the amount, they are charged towards their care.

There is no time limit that is applied to this, it is based on whether there was reasonable expectation that you may need to pay towards your care and support at the time of the disposal.

If we suspect that you have deliberately deprived yourself of assets in order to avoid or reduce the amount you are asked to pay towards any care charges, Lancashire



County Council will refer to the detailed guidance contained in [Care Act 2014 Annex E: Deprivation of Assets](#)

Lancashire County Council has an information sheet (IS 5) [Deprivation of Capital and Assets Policy and Appeals Process](#).

Lancashire County Council will consider if a deprivation of capital or income has occurred if:

- The individual ceases to possess capital or income which would otherwise have been taken into account for the purpose of assessing their contribution towards their care services, i.e., an individual transfers a sum of money to another individual as a gift or the beneficiary of an insurance policy is changed so that the monies are not available to the individual.

When a decision has been made that deprivation has occurred the Lancashire County Council will treat you as still possessing the capital or income, this is called notional capital/income.

13. Charging for services that are in addition to care and support needs

13.1 Meals and additional Day Time Support (Day Care) costs

Charges for meals provided to you at day centres is in addition to any assessed charge.

Charges for other refreshments provided and any activities arranged as part of your attendance at day care are also in addition to the assessed charge.

Meals provided to you in your own home will be charged the full cost of the meal and you will pay for the meal directly to the provider.

13.2 Technology Enabled Care

Technology Enabled Care is offered as preventative service for residents in Lancashire which is available at three service levels and the charge per week is dependent on which level of service is chosen. Lancashire County Council will review these charges on an annual basis. Please see Technology Enabled Care Policy.

13.3 Other non-residential services subject to charge

There are separate policies and dependant on eligibility there may be a charge:

- Transport.
- Community equipment or minor adaptations.

Services included in these lists may be amended, subject to the Care Act 2014, with the agreement of the Cabinet Member for Adult Services and the Directors of Adult Services and Financial Resources.

14. Changes in your financial circumstances



You or your representatives must notify Lancashire County Council of any changes in your financial circumstances as these could affect your financial assessment.

When your total savings and investments drop below £23,250, you should contact the financial assessment team and request a financial reassessment.

If your total savings increase above £23,250, you must notify the financial assessment team to arrange a reassessment.

An increase or decrease in service may change your contribution as would a change in the type of service, for example changing from day care to home care.

Where you fail to provide information following requests, contributions will be calculated at the maximum cost from the date of the request.

Where appropriate we may automatically reassess, contributions based on changes that we become aware of through policy changes, Department of Work and Pensions or regulation changes (e.g., annual increases to standard benefit payments, State Retirement Pension or service cost increases). Where appropriate this might be a standard % increase to all your income. In instances where a % increase is applied to income, a % increase may also be applied to any expense that is included in the assessment.

15. Contribution start date

Contributions start from the day that the service commences. If care ceases prior to a financial assessment being completed the following will apply.

- Within one week of the care start date you will not be charged.
- After one week but up to 4 weeks a light touch assessment will be completed to calculate the contribution due, utilising benefit / pension information as verified by the DWP as well as an allowance for household expenses based on the national average.

16. Cancellation or changes to services

When Lancashire County Council arranges services on your behalf, seven days' notice of any changes to that service must be given to the service provider, otherwise the original service must be paid for.

17. Payment of contributions

The preferred method of payment for assessed charges is by Direct Debit. The Direct Debit will be collected on a four-weekly basis, in arrears. The financial assessment officer will ensure the Direct Debit mandate is signed at the point of assessment.

Only in circumstances where you are not able to pay by direct debit will you be invoiced for your contributions every 4 weeks in arrears. If you are in receipt of direct payments, you will receive payments net of your contribution.



18. Non-payment of contributions

It is the responsibility of Lancashire County Council to collect monies due, and to ensure debts do not accrue. Where you fail to make a payment for the assessed contribution, action will be taken in accordance with Lancashire County Council's Debt Policy. Recovery of all outstanding contributions will be pursued by the Receivables Team.

Initially the collector will contact you or your representative to establish the reason for non-payment. Where there is a justifiable reason for non-payment the collector will work with you or your representative to ensure payment is received.

Refusal to pay debts or to cooperate with the collector may result in the debt being pursued through legal action or through the use of external agencies.

19. What to do if you do not agree with our decision

Where you feel you cannot afford to pay the assessed charge, or the financial assessment has been completed incorrectly, or that the assessment has not taken all relevant expenses fully into account and will cause you financial hardship, you can appeal and request a review of the charge.

The appeals procedure is not intended for you to express your dissatisfaction with any aspect of the Charging Policy. Only those cases, which are supported by relevant documentary evidence, will be dealt with under the Appeals Procedure.

The Appeals Procedure is designed to:

- Consider exceptional circumstances not acknowledged in the standard assessment process.
- Ensure correction of omissions or calculation errors made in the original assessment.

If you wish to appeal, you must do so in the first instance to:

The Senior Care Finance Assessment Manager, Care Finance Assessment Team, Exchequer Services, Lancashire County Council, PO Box 100, County Hall, Preston. PR1 0LD.

Or via Email to: Fin.assessment@lancashire.gov.uk

20. Policy, Legislation and Regulations

<p>POLICY DOCUMENTS</p>	<p>Additional information and guidance regarding charging for Adult Social Care is available in a series of regularly updated Information Sheets as follows:</p> <p style="text-align: center;">Information Sheet 1 – Adult Social Care Fees – 2023/24</p> <p style="text-align: center;">Information Sheet 2 – Financial Implication for Non Residential Care Services</p>
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	<p>Information Sheet 3 – Financial Implications of Moving into a Residential or Nursing Home</p> <p>Information Sheet 4 – What is the Deferred Payments Scheme?</p> <p>Information Sheet 5 – Deprivation of Capital and Assets, policy and appeals process</p> <p>Information Sheet 6 – Funding your care and support needs, Independent Financial Advice</p> <p>Further information is available in Policies and Procedures, including:</p> <ul style="list-style-type: none"> • Eligibility Criteria PPG • Ordinary Residence PPG • Care Act Independent Advocacy PPG • Advocacy (IMCA and IMHA) PPG • Assessment of Needs PPG • Care and Support Planning PPG • Review of Care and Support Plans PPG • Technology Enabled Care PPG
<p>LEGISLATION AND REGULATIONS</p>	<p>Care and support statutory guidance</p> <p>Annex B: Treatment of capital</p> <p>Annex C: Treatment of income</p> <p>Annex D: Recovery of debts</p> <p>Annex E: Deprivation of assets</p>



21. Equalities

The Equality Act, 2010 requires Lancashire County Council to have "due regard" to the needs of groups with protected characteristics when carrying out all its functions, as a service provider and an employer. The protected characteristics are age, disability, gender identity/gender reassignment, sex/gender, race/ethnicity/nationality, religion or belief, pregnancy or maternity, sexual orientation and marriage or civil partnership status.

The main aims of the Public Sector Equality Duty are:

- To eliminate discrimination, harassment, or victimisation of a person because of protected characteristics.
- To advance equality of opportunity between groups who share protected characteristics and those who do not share them. This includes encouraging participation in public life of those with protected characteristics and taking steps to ensure that disabled people can participate in activities/processes.
- Fostering good relations between groups who share protected characteristics and those who do not share them/community cohesion.

It is anticipated that the Non-Residential Care Charging Policy will support Lancashire County Council in meeting the above aims when applied in a person-centred, objective and fair way which includes, where appropriate, ensuring that relevant factors relating to a person's protected characteristics are included as part of the process.

Where/if any adjustments are needed for you/your representative to participate in or understand the assessment process or other communications arising from this Policy, please let us know so that these can be considered and, wherever possible, made.

More information can be found on the Equality and Cohesion intranet site on <http://lccintranet2/corporate/web/?siteid=5580&pageid=30516>



POLICY VERSION CONTROL

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