Financial Information Guide for people going into a care home, or care home with nursing on a permanent basis 2012/2013

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1 About this information

This leaflet is for people who are going into a care home, or care home with nursing on a permanent basis. It explains about the costs of moving into a home and how you may be eligible to get help towards the costs. We realise that this can be a difficult time for you and your relatives and hope that the information will be of assistance.

Please note that the rules on financial assessments, charges payable, and capital limits are subject to change. This leaflet is current for April 2012 to March 2013. To find out if any amendments have taken place since its publication you should speak to the Financial Assessment Section.

You should be aware that these notes are intended as a guide only and is not an authoritative statement of law.
2  Help with understanding this information

This information has been written to answer the most common financial questions we get asked about residential and nursing homes. After reading the information, if you feel you would like any points explaining further, please do not hesitate to contact our Income Maximisation Unit’s (IMU) Financial Assessment Team on 01978 298220.

If you require information regarding your care needs assessment, please speak to the Contact Assessment Team on 01978 292066, or your Care Manager (Social Worker).

3  Respite / temporary care

If you are going into a residential or nursing home for respite / temporary care, the rules are similar to those described in this document.

4  The Financial Assessment

The amount you will have to pay towards the cost of your stay in a residential or nursing home depends on your income and capital. Some examples of these are provided below, but please note that there may be other types that we have to consider. For all income, capital or savings, we must see evidence of up to date balances of accounts; for example, bank statements.

What is counted as income?

Income means regular payments that you receive and includes State Retirement Pension and other benefits such as Pension Credit, Income Support or Occupational Pensions and any income from annuities or trust funds.

What is counted as capital?

Capital is your savings and property. Savings include bank or building society accounts, National Savings Certificates, bonds, PEPs, TESSAs, ISAs and shares.

It could be in your sole name or jointly owned. We will need to see original documentation to evidence income and capital. You should be aware that there are certain kinds of capital which would not necessarily take you over the threshold above which you would be charged the full cost of services provided. If you need more information regarding which types of capital / investments are fully or partly taken into account or fully or partly disregarded, please contact the Financial Assessment Team on 01978 298220.

A Financial Assessment Officer will contact you to assist with the completion of the Financial Assessment Form. The purpose of the form is to ensure that we are provided with accurate financial information to assist us to work out the contribution you are required to make toward your care costs.
Will I have to pay towards my placement?

Apart from those service users subject to Section 117 of the Mental Health Act 1983, everyone has to pay something towards his or her care. If you have been assessed by the Social Care Department as needing long term residential or nursing care, we have to carry out a financial assessment.

How much will I have to pay?

Under the current legislation anyone who has more than £23,250 in capital or savings must pay the full cost of the placement in the home. This excludes the registered nursing care payment for nursing placements. See Section 8, Nursing Care.

Residential / nursing care home costs

To find out the current amount that Social Care Department will contribute to the cost of a residential/nursing placement in a private home you should contact the Social Care Department Financial Assessment Section on 01978 298220.

How we calculate your contribution

When calculating your contribution, the Adult Social Care Department ignores any capital you have up to the value of £23,250. If you are assessed as having over £23,250, the Local Authority will not pay anything towards the cost of your care home stay and you are treated as a self-funder.

In general, most of your income, including Social Security Benefits, counts towards the cost of your care.

The Financial Assessment Form is extremely important as it gives us details of your income and capital/savings. Please make sure that the form is completed and returned accurately. If it is not, we will not be able to correctly calculate your contribution to the cost of your stay, and may have to charge you the full cost.

If someone else is completing the form on your behalf, they should have appropriate legal authority to do so. Evidence of their authority must be enclosed with the form, e.g. Lasting Power of Attorney.

Once I have gone into residential/nursing care how much will I be able to keep for my personal expenses?

From 9th April 2012 the amount that you are allowed to keep for your own personal needs is £24 over and above the costs of your care that have been agreed by the local authority. If eligible, you can also retain up to a further £5.75 per single person or £8.60 per couple of Pension Credit.
What if the fees of the Home that I have chosen are more expensive than the Social Care Department regard as reasonable?

Wrexham Adult Social Care Department has a maximum price for categories of residential and nursing care. If the cost of the home that you have chosen exceeds the maximum for this authority, someone will be required to cover the shortfall, often known as a “Top-up Payment.”

It can be possible for residents to pay this themselves but only under the 12 week property disregard rules (by utilising the Deferred Payments Scheme). See Section 7, the Deferred Payment Scheme.

Therefore those residents who do not receive help under the 12 week property disregard or Deferred Payments Scheme cannot pay a Top-up payment from their own resources. Instead you must ensure that a relative or friend is able to pay the difference and be in a position to make this top up for the length of your stay. They must also enter into a formal agreement with the Social Care Department and be able to maintain this agreement (the “Third Party” Agreement) throughout the period of the placement (see below). The Home will provide the Third Party Contract Form to you or the person acting as your Third Party.

How am I told the amount I have to pay?

When you have completed your Financial Assessment Form the Financial Assessment Team will notify you in writing of the amount that we require you to pay. If you have any questions about the amount, please contact the Financial Assessment Team on 01978 298220.

How payments are made

You will pay your contribution towards the total directly to the Home where you have moved to. The Financial Assessment Officer in the Council will pay the Social Care Department amount directly to the Home and where applicable, collect the Local Health Board contribution and pay that to the Home as well.

Third party top-up payments

These are subject to agreement between the person making the payment on your behalf and the home. Wrexham Adult Social Care Department require details of who is making the third party payments. We will provide the third party with a letter advising them of their responsibility to pay the care home directly and the third party will sign a form for our records to this effect. Please be reminded that it is unlawful for the resident to use their weekly personal allowance (also known as “Pocket Money”) to pay any top-up.
5 Benefits

Will I be able to claim Pension Credit?

State Pension Credit is a means-tested benefit for people aged over 60; it has previously been known as Supplementary Benefit, Income Support and Minimum Income Guarantee. We can assist you with a claim for Pension Credit if you wish, please contact the Welfare Rights Team on 01978 298254 for further advice.

Please note that if you decide not to claim Pension Credit when you are entitled to do so, you will nevertheless be financially assessed as though you are receiving the benefit.

Will going into permanent care affect any benefits that I claim now?

Attendance Allowance / Disability Living Allowance (Care Component) will stop after 28 days of being continuously away from your own home if you are receiving financial help towards the cost of your stay from the local authority. **If the local authority is not paying any contribution, you remain fully entitled to these benefits.** If you receive any other benefits, and have any queries regarding continuing entitlement, (including what happens to benefits when in hospital) please contact Welfare Rights as above.

Will owning my own property affect my charges?

The value of your property does not count for the first 12 weeks of a permanent placement, but it will be included after 12 weeks (if it is sold within the first 12 weeks the proceeds will be taken into account as part of the financial assessment). This is called the 12 week disregard period.

During this 12 week disregard period, payment of any Attendance Allowance or Care Component of the Disability Living Allowance should stop after a maximum of 28 days for as long as the local authority is ‘disregarding’ the property. **If you receive one of these benefits you should contact the Disability Benefits Centre, Warbeck House, Warbeck Hill Road, Blackpool, FY2 0YE, Tel: 08457 123456 to advise them of the arrangements.** Again this does not apply if you are wholly funding the placement yourself. Any further queries regarding benefits in general should be addressed to Welfare Rights as above.

6 Your property

If I own a house, will I be expected to sell it?

The local authority does not have the power to enforce a sale of your property, but whilst the value of your property does not count for the first 12 weeks of your permanent placement, it will be included after 12 weeks (or its cash value, if it is sold before 12 weeks).
The value of a house or any other property or land you own will be taken into account in working out your contribution towards your care. However, in the following circumstances, your property will not be taken into account in calculating your weekly contribution:

- Your partner (provided you are not divorced or separated) remains in the property.
- A relative aged 60 or over remains in the property.
- A relative aged 16 or under (who is your responsibility) remains in the property.
- A relative who is incapacitated in some way remains in the property.

The local authority has discretion, in certain other circumstances, to disregard the value of the property. For example, if your long-term carer continues to live there, or if selling the house would cause hardship for someone who has been sharing your home on a permanent basis. In such circumstances, you will need to provide a written request for a disregard to be made and give the facts in support of your request. To do this, write to your Care Manager (Social Worker) or the Financial Assessment Officer. We will notify you in writing of the outcome of the local authority decision. The authority is entitled to register an interest in your property if necessary.

Pension Credit entitlement considers the value of a person’s property when calculating their capital (if you are resident in a Care Home), but your property can be disregarded once it has been put on the market. If you take steps to sell the property then it might be worth considering an application for Pension Credit. You should contact the Department for Work and Pensions (the local Pensions Service for those over pension age; the local Job Centre for those under pension age) for a claim form. For further advice, speak to Welfare Rights on 01978 298254.

**What happens if I have trouble selling my house?**

If after the initial 12 weeks has expired you have not sold your property, the value of your home will be taken into account in your financial assessment.

The Financial Assessment Team will then obtain a valuation figure and use it to work out your charge as if it were an amount of savings available to you. Obviously, you will not be able to pay the weekly amount due in respect of the property and this will, therefore, be allowed to accumulate as a debt until the sale of the house takes place at a later date.

The Local Authority will place a legal charge or caution (a form of mortgage deed) on the house with the Land Registry, which means that the outstanding balance has to be paid when the house is sold. This protects the amount of money owed to the Local Authority.

When the house is eventually sold, your solicitor should send details of the net proceeds of sale to the Council’s solicitor. The Financial Assessment Officer will then be able to ensure that the correct figure has been used in calculating the arrears that are due at that time.
Wrexham Adult Social Care Department is not allowed to charge interest on the balance outstanding unless you die before the property is sold. In these circumstances, interest will be charged on the balance outstanding from the day after the date of death. These rules can differ slightly under the Deferred Payments Scheme.

What if I own a former Council house purchased under the “Right to Buy” scheme?

If the house which you own is a former Council house purchased under the “Right to Buy” scheme and somebody else has helped you with the purchase, it may be possible to disregard the value (or proportion of its value). The person who helped with the purchase needs to provide acceptable evidence of their contribution.

This is not an automatic disregard and each case has to be judged on its individual merits. Evidence should, therefore, be submitted with your Financial Assistance Claim Form and you will be notified of the outcome of the Social Care Department's decision in writing.

What happens if I give away my home or other assets?

If a person gives away their home, savings or other assets before going into residential / nursing care or when already living there, we must investigate the circumstances in detail. We must also examine any sale of an asset at less than its true market value.

As we have a duty to protect public funds, we must look to see if a significant reason for the disposal was a desire to avoid paying for, or towards, residential/ nursing care.

If we decide that a factor in the decision to give away, or sell an asset at less than its market value was to avoid paying fees or reduce the amount payable, the law allows us to take action. Depending upon the circumstances, we can either assess you as still owning the asset(s), or require the person to whom you gave the property to contribute towards your fees.

Any large gifts or transfer of ownership will be investigated and appropriate legal action taken to recover these sums.

These cases are considered by a panel of senior officers and their decision can be challenged by you via the Complaints Procedure if you disagree with the decision.

What happens if I go into Residential Care and my partner stays at home?

The financial assessment is based only on your income and assets. You will also be assessed on your share of any jointly owned assets (except property if your partner remains at your home).

However, the Council may ask your partner to contribute towards your accommodation if they believe that they have the sufficient resources to do so.
7 The Deferred Payments Scheme

If a person is a home owner and is moving to residential care this scheme is designed to assist them with the payment of their care home fees. In return for a legal charge on their property, the Council will pay agreed care costs, which will be repaid when the property is sold. There may be set-up costs associated with Deferred Payments. Please contact the Financial Assessment Team for further information.

This arrangement is similar to an interest-free loan for the period of the deferred payment agreement.

Who is the scheme for?

It is for home owners moving permanently into residential care funded by the local authority who either:

- Do not wish to sell their home; or
- Are unable to sell their home quickly enough to pay for their care.

Who is eligible for the scheme?

To join the scheme the service user must:

- Have been assessed by the Social Care Department as requiring residential or nursing care.
- Be eligible for funding from the Council.
- Have a beneficial interest in a property they have been living in which is worth enough to cover the period of the placement.
- Pay a weekly contribution based on an assessment of income and assets.

How does the scheme work?

For the first 12 weeks their property is disregarded. After this time they will need to agree to the Council placing a legal charge on their property. In return the Council will pay the balance of care costs up to an agreed rate that would have been met from the sale of the property.

During and after this 12 week period they could also use the scheme to pay for more expensive accommodation depending on the net value of their property.

When must the money be repaid?

The money must be repaid either:
- When the property has been sold; or
- When they terminate the agreement; or
- Within 56 days of their death.

Interest will be charged if the debt is not repaid at the end of the agreed period.
We produce a separate leaflet that contains more information regarding Deferred Payments.

For this or any other information contact your Care Manager or Financial Assessment Officer.

8 Nursing Care

What are Registered Nursing Care payments?

All residents in a nursing placement have their care assessed by a registered nurse, and a set amount is then paid for by the Local Health Board. As of 1st April 2012 this is £120.56 per week in Wales but may change later in the year (different rates apply in England).

This amount will be paid directly to the nursing home. This will not affect the contribution from the resident unless they are paying the full cost of their own placement. In such cases the resident should check that their weekly fees have been reduced accordingly.

A booklet entitled “NHS Funded Nursing Care in Nursing Homes – What it means for you” is available from the Department of Health.

9 What happens if any of my circumstances change?

If you think your circumstances have changed and you require advice, please contact the Financial Assessment Team on 01978 298220. If necessary, a new Financial Assessment Form will be completed.

Changes include:

- Increase/decrease in income or capital.
- A property that was previously disregarded no longer falls within the disregard criteria, e.g. a relative aged 60 or over moves out.

What happens if I am initially self-funding and the capital I have falls below £23,250?

The local authority may now be able to pay for part of the cost of your placement. This, however, depends upon what income you receive from other sources, e.g. occupational pensions. You need to speak to the Contact and Assessment Team on 01978 292066. The Social Care Department only become aware of changes of this nature if you advise us of them.

This leaflet is available in other media formats. For more details please contact Customer Services Telephone: 0800 5876708
10 Questions, suggestions, complaints, compliments and comments

Wrexham Adult Social Care Department welcomes feedback as we use this information to learn lessons and improve the services we provide. If you wish to ask a question, make a suggestion, complaint, compliment or comment about services these can be made to the staff member you are involved with or to their Manager. Alternatively, you can contact:

- Customer Services -
  Wrexham County Borough Council -
  Adult Social Care Department -
  Crown Buildings -
  31 Chester Street -
  Wrexham -
  LL13 8BG -
  Telephone: 0800 5876708 -
  Email: asccustomerservices@wrexham.gov.uk -

Our ‘Have your say’ leaflet explains more fully how your comments can be made and how they will be dealt with.

11 Useful Contacts

If you are considering going into a residential or nursing home, or act on behalf of someone in that situation and you would like advice, please contact:

Wrexham County Borough Council Social Care Department

1. - **Contact Assessment Team** on 01978 292066.
   Deal with initial referrals to the Department.

2. - **Income Maximisation Unit** on 01978 298254.
   Houses the Financial Assessment and Welfare Rights Teams.

**Welsh Government (WG)** produce a document entitled ‘Thinking About a Care Home’ that covers similar information to this guide. For a copy contact WAG on 03000 603300 or 0845 0103300 or visit [http://wales.gov.uk/topics/olderpeople/publications/thinkcarehome/?lang=en](http://wales.gov.uk/topics/olderpeople/publications/thinkcarehome/?lang=en)

**The Department of Health** have produced a useful booklet called “Care Home Handbook.” Contact 020 7241 8555 for more information.

**Citizens Advice Bureau** – able to provide independent generic advice and can provide details of other organisations, some of which are listed below.
35 Grosvenor Road, Wrexham, Tel: 08444 77 20 20.
Counsel and Care – National Charity providing a range of information on care issues. See www.counselandcare.org.uk or phone 0845 3007585.

Help the Aged – National Charity who fight to free disadvantaged older people in the UK and overseas from poverty, isolation and neglect. See www.helptheaged.org.uk or telephone 02920 346550 (Wales office).

Age Concern – National Charity promoting well-being of all older people and to help make later life a fulfilling and enjoyable experience. See www.ageconcern.org.uk or phone 0800 009966.

The Pension Service – This is the part of the Department for Work and Pensions (formerly DHSS, DSS and Benefits Agency) that deals with claims and payments of benefits for people aged over pension age. See www.dwp.gov.uk.

Care and Social Services Inspectorate for Wales (CSSIW) – CSSIW has a North East Wales Regional Office based at Mold. It is responsible for the inspection of all care homes in the Wrexham County Borough Council area. Their contact address is CSIW, Broncoed House, Broncoed Business Park, Wrexham Road, Mold, CH7 1HP, Tel: (01352) 707900. For England Homes there is the Commission for Social Care Inspectorate.

12 Other ways of paying for residential/nursing care

There are an increasing range of other options that could be considered.

These tend to be insurance-type policies that people buy/pay-into over a number of years; they come into effect when/if someone needs to enter a care home. It is not for Wrexham Council to comment on any particular financial product or insurance plan but advice/information can be sought from some of the above-listed organisations. Registered Independent Financial Advisors may be able to guide you through the schemes that are on offer to families of elderly people about to enter or already in residential or nursing care. Such schemes may offer you the opportunity to manage your care home payments differently, and secure an inheritance for your family.

You can arrange for a free quotation for an immediate care plan that on investment of a lump sum, will guarantee to pay the shortfall in care fees for as long as necessary. You can also receive advice on alternative investments and strategies to pay for the care fees.

Both the UK and Welsh Governments are constantly reviewing how care should be paid for, and by whom. All service users will be advised if or when there are any changes to how Local Authorities are required to financially assess people.