



**MIDLOTHIAN COUNCIL**  
**HEALTH AND SOCIAL CARE**

**CHARGING POLICY**

**NON RESIDENTIAL AND RESIDENTIAL  
CARE SERVICES**

This Policy is Authorised by: Morag Barrow

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## Midlothian Council Health and Social Care

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## **1. Policy Statement**

- 1.1 Midlothian Council wants to help people live at home independently, safely and for as long as possible. We need to balance the way that we administer charges for care services to ensure that the range and quality of local services are optimised on the one hand, and yet on the other, prevent people who are charged for services from falling into poverty. To help us to continue to provide services to people with a range of needs we will charge for care and support services where we have a statutory power do to so and where it is appropriate.
- 1.2 This charging policy was agreed by Midlothian Council on 11 December 2014 and explains how we will work out how much service users should pay towards the cost of the services they receive.
- 1.3 The policy covers non-residential and residential services for all people using community care services and young people who are moving into adult services.
- 1.4 The policy is intended to help staff working for the Council, service providers, service users and other interested groups to understand how we will calculate charges.
- 1.5 The charging policy complies with COSLA's National Strategy and Guidance for Charges Applying to Non Residential Social Care Services, the National Assistance Act 1948 and the National Assistance (Assessment of Resources) Regulations 1992.

## **2. Principles on which the charging policy is based**

- 2.1 The support provided will always be based on assessed needs and agreed outcomes.
- 2.2 The charge will be based on ability to pay.
- 2.3 We will not charge more than the cost of providing the service.
- 2.4 Service users will know how and why they are being charged.
- 2.5 All service users will be treated in a fair, transparent and equitable manner.

### **3. Charging for Non Residential Care**

#### **3.1 What can we charge for**

We can charge for the following services:

- Care at Home (including Supported Accommodation, Supported Living, and Housing Support Services)
- Sheltered Housing or Extra Care Housing Support Services
- Day Care and Day Opportunities
- Community Alarms & Telecare
- Short Breaks and Respite Breaks
- Laundry Services
- Lunch Clubs
- Aids and Adaptations
- After Care Services for people with a mental illness
- Care and Support Services for those who have or have had a mental illness (in or not in hospital)
- Transport
- Support provided through Self Direct Support, excluding services listed in 3.2 below.

#### **3.2 Services that are free**

- Criminal Justice Social Work Services
- Information and Advice
- Needs Assessment
- Care Management
- Personal and Nursing Care Element for People in a care home
- Personal Care for people in their home
- Carer Respite
- New or additional services for people aged 65 and over for the first six weeks following discharge from hospital.  
This free service does not apply in cases where admission to hospital is on a regular basis or a frequent basis as part of regular treatment or ongoing care arrangements. Continuation of these services beyond six weeks may attract a charge depending on the tasks.
- New or additional services for all adult service users receiving the Rapid Response or Reablement Service for up to six weeks.  
Continuation of these services beyond six weeks may attract a charge depending on the tasks.

**3.3 The following people cannot be charged for any care services provided based on assessed need:**

- Services for people who are subject to Compulsory Treatment Orders under the Mental Health (Care and Treatment) (Scotland) Act 2003 and Compulsion Orders under the Criminal Procedure (Scotland) Act 2003
- People who are terminally ill and are subject to the DS1500 certificate

**4. Financial assessments**

We will carry out a financial assessment for all service users who receive residential and non-residential services.

Service users will be required to provide documentary evidence of income, capital and expenditure.

Service users will be given information about charges at the time of their Community Care Assessment and again at the time of the financial assessment. Any appropriate charges will be applied from the first date the service is received.

- 4.1 If a service user does not want to divulge financial information or refuses to become involved in the financial assessment process, we will apply the full charge for the service. This may mean that we charge more than we would have done had we carried out a financial assessment, for this reason we will always encourage people to provide financial information.
- 4.2 Service users will be re-assessed on an annual basis unless their total package is covered by Free Personal Care.
- 4.3 Service users receiving care in the community and in receipt of compensation payments will be asked for a breakdown of the elements of the payments. It can then be determined whether any element should be included when assessing a charge for care services.
- 4.4 When a couple are sharing a service they will be financially assessed jointly. If only one is receiving a service, the assessment will not include their partner's income.
- 4.5 Service Users must notify the Council immediately whenever there is a change in their financial circumstances. Failure to do so may lead to charges being backdated which could be due immediately.

## **5 Income maximisation and benefit take-up**

- 5.1 When doing a financial assessment, we will advise service users of sources of advice and help concerning their entitlement to receive state and other benefits.
- 5.2 Where a service user is awarded additional state or other benefits, this will result in a change to the financial assessment. Service users must notify the Council immediately when there is a change. Failure to do so may lead to charges being backdated which could be due immediately.

## **6 Self Directed Support**

- 6.1 Self Directed Support (SDS) is Scotland's mainstream approach to social care delivery. SDS is an empowering, holistic and person-centred approach that gives people who require support greater choice and control over how they receive their support. .

It enables users to:

- Have more choice and flexibility.
- Choose services to achieve their personal outcomes and assessed needs in ways that suit/improve their lifestyle.
- Manage their own support.

Service users can choose how much control they have over their support arrangements.

Some individuals can manage their support on their own, while others need help either from family or friends, or organisations who are employed to help.

There are 4 options to manage support:

1. A direct payment – we will provide the user with their own individual budget to make their own arrangements. Users can do this with or without assistance.
  2. Choose a care or support organisation and we will arrange it. The user will then work with the care or support organisation to plan their support.
  3. We hold the budget and arrange the service. Support will be arranged via our in-house or procured services who will talk with the user about their wishes and preferences.
  4. A mix of the above.
- 6.2 The charging policy applies whichever of the four options is taken.

## **7 Short Breaks and Respite Care**

- 7.1 Short breaks and respite care can be delivered in different ways depending on needs and preferences.
- 7.2 For short breaks and respite care delivered in a care home we may carry out a financial assessment in the same way we do for Residential Services. For other short breaks we will calculate any charge in the same way we do for Non Residential Services.
- 7.3 Where the short break or respite care is provided to meet the needs of a carer and is assessed as being in line with Carers Eligibility Criteria the service will be non-chargeable.

## **8 Financial Assessment for Non Residential Services**

This section explains how we carry out the financial assessment for non residential services. It includes how we treat income, capital, apply charging thresholds and calculate contributions and charges.

In assessing a services user's ability to pay for services it is recognised that there are requirements to maintain household expenses, e.g. rent or mortgage and council tax. The financial calculation makes allowance for this.

### **8.1 Your Income**

- 8.1.1 Income from all sources is considered and we take account of net earnings and all social security benefits with the exception of the mobility component of the Disability Living Allowance/Personal Independence Payment.

### **8.2 Earnings**

- 8.2.1 We do not include the first £20 of any earned income.

### **8.3 Compensation Payments**

- 8.3.1 We include any element of compensation payments awarded (including compensation payments held in Trust) for the purposes of contributing to the cost of care. Where an amount of compensation has not been stipulated for the cost of care we will take account of 50% of the income generated by compensation held in Trust.

### **8.4 Dependent Children**



- 8.4.1 We do not include any benefits received for, or on behalf of, a dependent child.

## **8.5 Your Capital**

- 8.5.1 Capital from all sources is taken into account, including savings held in a bank, building society, post office or other savings account, bonds, stocks and shares, value of PEPs and ISAs.
- 8.5.2 Service users with capital exceeding £16,000 will be expected to pay the full charge.
- 8.5.3 For service users below state pension qualifying age we ignore capital below £6,000. For capital from £6,001 up to £15,999 we assume income of £1 for each £250, this is known as tariff income.
- 8.5.4 For service users of state pension qualifying age and over we ignore capital below £10,000. For capital from £10,001 up to £15,999 we assume income of £1 for each £500, this is known as tariff income.
- 8.5.5 We will ignore the capital value of the property which is the main residence owned by the service user in assessing charges for non-residential services.

## **8.6 Housing Costs and Mortgage Payments**

When calculating available income we deduct all payments made for:

- rent, excluding housing benefit
- mortgage interest payments on primary residence for owner occupiers (usual residence where a person owns more than one property)
- lodging allowance for people who reside at home with their parent/s up to the agreed maximum, i.e. two thirds of the average rent of a Midlothian Council one bedroom flat
- council tax, including water & sewerage
- building insurance, for owner occupiers
- separation or maintenance payments

## **8.7 Charging Thresholds**

- 8.7.1 A charging threshold is the set level of personal income below which a person can receive community care service(s) without needing to pay a contribution or charge toward the cost of the service(s) they receive. This is in addition to housing costs and mortgage payments.
- 8.7.2 The charging thresholds are based on levels of minimum pension credit guarantee for people of state pension qualifying age and on income support plus the disability premium for those below state pension

qualifying age. An additional 25% is added to these figures to give the charging threshold. The threshold levels are reviewed annually.

## **8.8 Tapering arrangements**

- 8.8.1 A taper is a method for dealing with income available to the service user that is over the threshold figure and setting the maximum contribution that service users will make.  
Midlothian Council has set its taper at 70% which means we disregard 30% of the available income in addition to the threshold amount.

**Examples of non residential financial assessments are included in Appendix A**

## **9 Temporary or emergency admission to hospital**

- 9.1 If a person was receiving services for which they were financially assessed before a hospital admission, we will not charge for some of our services while they are away from home. There may be some types of housing support for which a charge will still be made e.g. sheltered or extra care housing, Telecare equipment.

## **10. Financial Assessment for Residential Services**

This section explains how we carry out the financial assessment for residential services. It includes how we treat income, capital, apply charging thresholds and calculate contributions and charges.

The legal basis for charging for residential services is the National Assistance Act 1948 and the National Assistance (Assessment of Resources) Regulations 1992.

We carry out all financial assessments in accordance with the terms of the above legislation and regulations.

Unlike non residential charging service users would not be maintaining their homes and therefore the financial calculation reflects this.

### **Your income and capital**

We will take into account your own financial resources including your share of any resources you jointly hold with your partner, spouse or other party (this will normally be regarded as 50% unless there is documentary evidence to the contrary).

#### **10.1 Your Income**

10.1.1 Income from all sources is considered and we take account of net earnings and all social security benefits with the exception of the mobility component of the Disability Living Allowance/Personal Independence Payment.

In assessing a service user's ability to pay care home costs we ensure an amount for personal expenses is retained, this is known as a personal allowance.

#### **10.2 Your Capital**

10.2.1 Capital from all sources is taken into account, including savings held in a bank, building society, post office or other savings account, stocks and shares, value of PEPs and ISAs.

10.2.2 We will consider the capital value of any property owned by the service user in assessing charges for residential services.

10.2.3 We will treat the disposal of capital assets as deliberate if it is found to have been done knowingly in anticipation of admission to a care home. When this is decided, the capital assets will be included in the financial assessment.

**Examples of residential financial assessments are included in Appendix B**

## **11 Absences from a Care Home**

### **11.1 Hospital Absence**

- 11.1.1 When a person living in a care home is admitted to hospital we may continue to pay 100% of our contracted contribution for six weeks as long as it appears likely that the person will be returning to the care home. After six weeks the situation will be reviewed. Services users will remain liable for their own contribution.
- 11.1.2 Where we are paying Free Personal Care and/or Free Nursing Care, entitlement ceases after 14 days of absence from the care home and consequently we will cease to make such payments to the provider from the 15<sup>th</sup> day of absence. Where a service user wants to keep their care home place they would be liable for all costs from the 15<sup>th</sup> day of absence.

### **11.2 Planned absence**

- 11.2.1 Where a person living in a care home is absent temporarily, on holiday or similar circumstances, we will continue to pay 100% of our contracted contribution for up to 3 weeks. Services users will remain liable for their own contribution.
- 11.2.2 Where we are paying Free Personal Care and/or Free Nursing Care, and there is a planned absence of more than 14 days, we will cease to make the payment to the provider from the 15<sup>th</sup> day of the planned absence. Where a service user wants to keep their care home place they would be liable for all costs from the 15<sup>th</sup> day of absence.

## **12 Self Funding Residents where their capital and/or income has fallen below the self funding threshold**

- 12.1.1 The self-funding threshold is the amount of capital, defined by legislation, that you have which makes you responsible to meet the full cost of your care, excluding free personal and free nursing care.

Service users with capital exceeding £29,750\* will be expected to pay the full care home costs, excluding any Free Personal/Free Nursing Care payments made by Midlothian Council.

\*Figures subject to change annually. This figure is for 2022/23.

- 12.1.2 Self-funding residents, whose capital falls below the self-funding threshold, will become eligible for funding by Midlothian Council from the date of notification that the threshold has been reached. For service

users with capital between £18,500 and £29,749\* we include £1 for each £250 as additional income, this is known as tariff income.

\*Figures subject to change annually. This figure is for 2022/23.

- 12.1.3 It is your responsibility, or your financial representative's responsibility, to notify Midlothian Council when your capital drops below the threshold level. Notification must be no earlier than the date the threshold has been reached and a financial assessment must be completed. No application for backdated funding will be considered.

## **13 Cases of hardship and Non payment of charges**

- 13.1 In exceptional circumstances, the Joint Director of Health & Social Care or Head of Adult Services can use their discretion not to apply a charge. Any decision to waive all or part of the charge must be reviewed annually at the time of the financial re-assessment. However, if your financial circumstances change you must notify the Council immediately.
- 13.2 Midlothian Council will actively pursue all unpaid charges. This will be done through the Council's Debt Recovery procedure

## **14 Incorrect financial assessment**

If for any reason there has been an incorrect financial assessment which has led to a service user being charged too much or too little, we will carry out a new financial assessment.

- 14.1 Where we have been given the correct financial information by the service user, or his/her representative, and have calculated the charge wrongly, we will reimburse the full amount of any over-charge and will not seek to recover any amount by which they have been under-charged.
- 14.2 Where we have been given incorrect financial information from the service user, or their representative, which has resulted in an under charge, we may seek to recover that amount. Where this has led to an over-charge, we may refund the amount by which you have been over-charged.

## **15 Review of charges**

- 17.1 All charges are reviewed annually. Details of charges are published on the internet at

[https://www.midlothian.gov.uk/info/1350/getting\\_care\\_and\\_support/69/paying\\_for\\_care](https://www.midlothian.gov.uk/info/1350/getting_care_and_support/69/paying_for_care)

<https://www.cosla.gov.uk/documents>

## **16 Charging policy appeals and reviews**

- 16.1 Service users not satisfied with the calculation or outcome of their financial assessment will be encouraged to discuss their concerns with staff involved in the financial assessment process or the member of staff working with them.
- 16.2 Service users who remain dissatisfied will be entitled to pursue their complaint through the Adults & Social Care complaints procedure.

## EXAMPLES OF FINANCIAL ASSESSMENTS FOR NON RESIDENTIAL SERVICES

Person Under Pension Age		
Income, Savings & Expenditure – Per week		
<b>ESA</b>		
Personal Allowance	£84.80	
Severe Disability Premium	£76.40	
ESA Support Group	£44.70	
Enhanced Disability Premium	£19.55	
<b>PIP</b>		
Care Component	£101.75	*1
Mobility Component	£71.00	*2
<b>Income Total</b>	<b>£398.20</b>	
<b>Income Disregarded</b>	<b>£104.65</b>	
<b>Total Regarded income</b>	<b>£293.55</b>	
<b>Total Capital</b>	<b>£2451.83</b>	<b>*3</b>
<b>Household Expenditure</b>		
Rent	£0.00	
Council Tax	£0.00	
<b>Total Expenditure</b>	<b>£0.00</b>	
<b>Allowance</b>	<b>£156.00</b>	<b>*4</b>
<b>Balance of Income</b>	<b>£293.55</b>	<b>*5</b>
<b>Maximum Weekly Assessed Contribution</b>	<b>£96.29</b>	<b>*6</b>

Person Over Pension Age		
Income, Savings & Expenditure – Per week		
<b>PIP</b>		
Care Component	£101.75	*1
Mobility Component	£71.00	*2
<b>State Pension</b>	<b>£203.85</b>	
<b>Income Total</b>	<b>£376.60</b>	
<b>Income Disregarded</b>	<b>£104.65</b>	
<b>Total Regarded income</b>	<b>£271.95</b>	
<b>Total Capital</b>	<b>£10,407.52</b>	<b>*3.1</b>
<b>Household Expenditure</b>		
Rent	£0.00	
Council Tax	£0.00	
<b>Total Expenditure</b>	<b>£0.00</b>	
<b>Allowance</b>	<b>£252.00</b>	<b>*4</b>
<b>Balance of Income</b>	<b>£272.95</b>	<b>*5</b>
<b>Maximum Weekly Assessed Contribution</b>	<b>£14.67</b>	<b>*6</b>

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\*1 – Award amount up to standard rate of £68.10 is regarded. Anything over this rate will be disregarded.

\*2 – Mobility component is disregarded.

\*3 – The first £6000 (\*3.1 – £10,000) of savings is disregarded; for every £250 (\*3.1 – £500) thereafter £1 is added as tariff income, unless tariff income is regarded in the award from the DWP, in which case we would disregard the lesser of the two calculated tariff incomes. This applies until the capital threshold of £16,000, at which point the client will be assessed as full charge.

\*4 – Allowance is set by COSLA for 2023/2024.

\*5 – Income - expenditure = Balance of Income.

\*6 – The final figure after Balance of Income – Allowance has applied a 30% disregard to form the following calculation:

$(\text{Balance of Income} - \text{Allowance}) \times 70\% = \text{Maximum Weekly Assessed Contribution}$



## EXAMPLES OF FINANCIAL ASSESSMENTS FOR RESIDENTIAL SERVICES

### Permanent Care

<b>Income &amp; Savings</b>			
	Retirement Pension	£ 178.45	
	Pension Credit (Guarantee)	£ 22.60	
	Pension Credit (Savings)	£ -	<i>Pension credit savings not included</i>
	<b>Income</b>	£ 201.05	
<sup>1</sup>			
<sup>2</sup>	Savings £9,500	£ -	<i>First £20,250 disregarded</i>
	<b>Total Income</b>	£ 201.05	
	<b>Allowance</b>	£ - 32.65	
	<b>WEEKLY CONTRIBUTION</b>	£ 168.40	

### Short Break or Respite Care (Chargeable)

<b>Income &amp; Savings</b>			
	Universal Credit	£ 159.04	
	Middle rate Disability Living Allowance (£61.85)	£ -	<i>Disregarded</i>
	Low rate Mobility Allowance (£24.45)	£ -	<i>Disregarded</i>
	<b>Income</b>	£ 159.04	
<sup>1</sup>			
<sup>2</sup>	Savings £20,000	£ -	<i>First £20,250 disregarded</i>
	<b>Total Income</b>	£ 159.04	
<sup>3</sup>	<b>Allowance</b>	£ - 32.65	
	<b>Allowance</b>	£ - 20.00	<i>Additional allowance set by Midlothian Council</i>
	<b>WEEKLY CONTRIBUTION</b>		
	<i>(Total income less allowances)</i>	£ 106.39	

## **Midlothian Council Health and Social Care**

- 1 If capital exceeds £20,250 income of £1 is assumed and added for every £250 over that amount
- 2 If capital exceeds £32,750 the person receiving the service will be regarded as a self-funder and will be entitled to the free nursing and/or personal care element only
- 3 Allowance & income thresholds set by The Scottish Government (2023/2024)