



Havering

LONDON BOROUGH

Paying for care in a residential home, nursing home or residential college



Information for service users, relatives and carers
April 2024 to March 2025

LB Havering Adult Social Care Residential/Nursing Care financial charges

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Introduction

Do you think you may need care in a residential home or nursing home?

If you do, you will probably have some important questions, such as:

“Where can I get help and advice?”

“Will I be able to afford the fees?”

This booklet will help you with these questions. It will tell you about the help that is available, including financial help, and a little about some of the people who are there to help you.

If you are moving into a residential or nursing care home, we will need to carry out a financial assessment to establish your liability towards the care fees.

For more information on choosing a residential or nursing care home in Havering and questions to ask when looking for a home please refer to the Adult Social Care page on the London Borough of Havering website. See address below.

https://www.havering.gov.uk/info/20015/adult_social_care

We can also give you important information about care in residential homes, nursing homes and residential colleges. This information includes:

- our adult social care and the role of social workers
- what to expect if you move into a residential home, nursing home or residential college;
- the help you can expect towards the cost;
- welfare benefits you may need to claim; and
- what happens to the welfare benefits you are currently receiving.

Please be advised that page 21 of this document contains a list of definitions of terms you may not be familiar with, so please refer to that section if you are unclear on what certain terms mean.

Going into residential or nursing care

Choosing a home

If you are assessed as needing residential or nursing care, your social worker will be able to tell you about the choices that are available to you. The Adult Social Care pages on the Council website also give information on this matter, as does the NHS website, or you could call the Adult Social Care Access Team, on 01708 432000.

Variable Care Home rates and top-up agreements

Care homes charge differing fees based on their size and their business model. If you are eligible to receive help from us with paying for care home fees, and it has been agreed that a place in one of the homes with which we have contracts will not meet your needs, we will help you find somewhere else.

If you choose a home which costs more than it has been established that the Council should pay to meet an individual's needs, a relative or friend can agree to pay the extra. This extra cost is in addition to the assessed contribution and is the difference between the amount the Council will be paying and the actual cost of the weekly care-home fees. Under these circumstances this is called a third-party top-up and where an individual is using their own means to pay these fees, which is allowed in only certain circumstances, it would be called a first party top-up (see pages 17-18 for more details of the criteria). Any top-up amount must be affordable and reasonable, and the person paying the top-up will be subject to a light touch financial assessment to ensure that they are able to meet this commitment for the length of time it may be needed. If it is felt that the top up is not affordable by the person paying the top-up on an ongoing basis, then the Council will not be able to agree to you moving into that home. Your relative or friend will need to enter into an agreement called a third-party top-up contract with the adult social care Brokerage Team before you can move into the home, and if it is a First Party top-up then this arrangement would be reflected in the Deferred Payment Agreement. No top-up agreement can be entered into without either the Third Party top-up agreement, or Deferred Payment Agreement, being in place. The Council would prefer the top up fee be paid directly to the home however, where circumstances warrant it, the Council would be prepared to discuss alternative payment arrangements.

What about payment of the top-up?

If the person paying the top-up stops paying it then you will need to move you to another home that does not require a top-up fee. Very rarely, charities or benevolent societies may help you with any shortfall, but this will depend on you meeting their conditions for help and having the resources available.

Example of a third-party top-up

Mr Brown has no assets other than his State Pension. He has chosen a home that charges in excess of the rate the Council would usually pay. Mr Brown's daughter has offered to pay a top up to enable him to choose a home that costs more than his personal budget can afford.

What will the top-up fee be?

Full cost of the chosen home	£600.00 a week
Less Havering Council maximum contribution (Mr Brown's Personal Budget)	
£545.45 a week	

The Council's maximum contribution (Mr Brown's Personal Budget) includes Mr Brown's assessed charge, which is the amount that we have financially assessed him to pay each week towards the cost of the home. The Council's maximum rate will depend on each individual's care needs.

Top-Up Fee	£54.55 a week
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Mr Brown's daughter will be expected to pay a top-up of £54.55 a week towards Mr Brown's fees direct to the home unless alternative arrangements have been agreed. Mr Brown is not allowed to pay this money himself and will not have sufficient resources as all his income and capital has been taken into account in the financial assessment. Therefore, these additional fees could not be paid from Mr Brown's state pension or any other source of income.

Questions about money

- What will I have to pay for the services I receive?
- What happens to my benefits?

Before looking at some of these details, there are some important things to bear in mind.

You will only receive financial help from Havering Council if the assessment carried out by your social worker shows that you cannot stay at home, even with support and services to help you.

Then, if your weekly income is less than the weekly cost of a home and your savings and assets are less than £23,250, we will help you financially to pay for a placement.

Charging for residential or nursing care services will apply from the date of admission – **there is no period during which the individual would be exempt from charges** – and everyone would be liable to make, at least, a contribution towards the cost of their care.

Assets may or may not include the value of your home, but this is covered in more detail later in this booklet. You will need to claim all the benefits you are entitled to receive. A member of our Welfare Rights Unit will help you to identify if you are entitled to any additional income from benefits.

Even if we cannot give you financial help, the assessment of your needs and any benefits advice is provided for free.

What happens if I am privately funded in a care home and my capital falls below £23,250?

If your capital drops below £23,250, we will look at your finances with a view to taking over the funding of your placement. However, you would still be financially assessed on your income and capital to work out how much your contribution would be towards your care fees. It is important that you let us know as soon as you think this is likely to happen so you do not lose out on any financial help that we can give you.

However, we will not be able to pay the full fees of a home that needs to charge higher fees without some extra contributions (top-up) from a third party, which is usually a relative.

Please be aware that if there is a top-up agreement in place to help meet the cost of your care home and no-one can pay the 'top-up', you will need to move to another home that you can afford within your personal budget (depending on the circumstances and an assessment of your needs at the time).

Who can help you to look after your money?

You may continue to collect your own benefits if you want to and are able to do so. Or, you can appoint someone to collect your benefits on your behalf. This may be a relative, friend or anyone else you want to appoint. You may choose to have your benefit paid into a relative or friend's account so they can access the money for you to pay your contribution towards the cost of your care and give you your personal expenses allowance.

If you want someone else to deal with your benefits you should contact the Department of Work and Pensions on 0800 055 6688.

Please note that whoever you choose should be trustworthy and reliable.

If you no longer have capacity to manage your finances and do not have someone to look after your money for you then Adult Social Care can be appointed to do so. A representative from our Client Finance Management Team will become responsible for claiming and receiving your benefits on your behalf, and will pay Adult Social Care the weekly contribution for your fees. They will also arrange for your personal expenses allowance to be paid to you at your care home.

We would recommend getting independent financial, or legal, advice about power of attorney. A power of attorney is a legal document where you appoint a person to

manage your financial affairs and any property you own. This should be someone who you trust and who is over the age of 18.

A solicitor or the Public Guardianship Office will be able to advise you about this. You can contact the Public Guardianship Office on 0300 456 0300 or access their website at www.gov.uk/office-of-public-guardian .

What will I have to pay?

If you are moving into a nursing home or residential care home with help from adult social care, you will have to contribute towards the fees from the date of admission.

Please be aware that your contribution will be established via a means tested financial assessment and that the Council will pay the remaining fees, up to the Council's maximum rate. Therefore the Council does not pay a set amount - the Council's contribution will be dependent on your ability to pay and will be subject to change whenever your financial circumstances change.

The rules for working out your contribution are laid down by law. You will always be left with an amount of money for your personal use, called your personal expenses allowance.

We work out your contribution in accordance with the Care Act.

The amount you contribute will depend on how much money you receive every week and how much you have in savings and other assets. We ignore some types of income and may give you some extra allowances according to your needs. As the amount that you are asked to contribute is affected by the benefits you should be getting, it is very important that you claim everything you are entitled to.

Please be advised that following an admission into a Residential, or Nursing Home, your state pension and benefits will continue to be paid to you directly in the same way that they were prior to the admission to care. Your pension and state benefits will not be paid direct to the Council and therefore it will be your responsibility to ensure that your assessed contribution to your care fees is paid.

Exceptions

We expect most people to pay for all or some of the costs of their care in a care home from their own income or capital. There are three main exceptions to this:

- People who are in care homes that are providing nursing care paid for in full by the NHS or whose placement has been arranged by the NHS. In these circumstances, you are treated as a hospital patient for benefit purposes. Benefits such as Pension Credit, Attendance Allowance or Disability Living Allowance are reduced or stopped after a period of time.
- For people receiving intermediate care, (assessment beds are treated differently) which is up to six weeks of rehabilitation in a residential or nursing home, there is no charge for this period. If your stay lasts longer than six weeks, you will be required to contribute towards your care. However, if you are

admitted into a residential or nursing home on a permanent basis you will be liable to pay for your care from the date of admission.

- People receiving after care under section 117 of the Mental Health Act 1983 who have previously been held in hospital under certain sections of that act.

Be advised that once Continuing Health Care is withdrawn you would again be subject to a financial assessment to establish your liability to your care fees.

What financial information will I need to provide?

If your social worker agrees that you need residential or nursing care, you will be asked to fill in a financial assessment form if you want financial help from adult social care. At the moment, financial help towards the cost of care in a residential or nursing home is only available to people who:

- have less than £23,250 in savings and investments (not including the value of any property), and
- have been assessed as needing care in a residential or nursing home by adult social care.

What we will need to see

In addition to a completed Financial Assessment form the Council will need to see documentation that supports the sums declared in the form in order to ensure that people are financially assessed correctly. Therefore, you would be required to provide documentation showing the following;

Income

- Pension & Benefit letters
- Bank Statements covering the last 6 months
- Recent letters/ payslips about any occupational or private pension

Savings

- Bank Statements covering the last 6 months
- Current Building Society & National Savings Books
- Any other papers about savings & investments

Home Expenses

- Rent card or Rent book

Home Expenses (owner occupied)

- Mortgage / home loan statement
- Buildings Insurance bill
- Service Charge / Ground Rent bill
- Council Tax bill
- Fuel bills
- Water Rate bill

Be advised that we will return any original documentation that you provide with the form once we have taken copies for our records. I can advise that we will

only hold this information for our records and will not be sharing it with any other Council department or external organisation.

How do you assess my contribution?

We will send you, or any appropriate third party, a Financial Assessment form to be completed and returned to the Financial Assessment & Benefits Team, along with any supporting documentation, such as bank statements, correspondence from the Department of Work & Pensions.

We will then assess you based on the information that you have provided in the form and carry out a financial assessment. A financial assessment is a calculation, based on your income and capital assets, to work out the contribution we will expect you to pay if you go into a care home.

We will assess your financial contribution in line with the Care Act guidance issued by the Department of Health.

We will help you to claim Pension Credit or Income Support if you are entitled to it, as this will be included in your financial assessment. Please contact us on 01708 434444 for a benefit check.

We will ask you to sign a consent form, which we will use to check your benefit entitlement with the Department for Work and Pensions. This will also give us permission to check your benefits rates for future years, so you will not need to fill in a review form every year.

Most of your income, including your Pension Credit (not including up to £5.75 a week of your savings credit), has to be paid towards the fees of the home, less £25.65 a week for personal expenses. This is your personal expenses allowance.

The definitions of income and capital are as follows.

Income

- All state benefits (except for Disability Living Allowance – mobility component and Personal Independence Payment – mobility element)
- Occupational or private pensions
- Trust incomes
- Annuities (a fixed sum paid every year)
- Any other income (except for interest on bank and building society accounts, and income from investments, which will be treated as capital)

Capital

Capital includes any savings you have in:

- bank or building society accounts;

- National Savings accounts;
- ISA accounts;
- Save-as-you-earn (SAYE) schemes;
- cash;
- Premium Bonds or National Savings Certificates;
- stocks, shares, trust funds and investments;
- property, building and land (any rent received from property or land is treated as income); and
- an account that someone holds on your behalf.
- If you have capital of more than £23,250, you will have to pay the full cost of the home. If your capital is below £14,250, we will ignore it when working out how much you will have to contribute.

If you have capital between £14,250 and £23,250, £1 a week for every £250 or part of will be assumed and taken into account as income. This is called the tariff income charge.

Example

Mr Smith has £15,905 in capital. The tariff income on the capital will be £7 a week (£15,905 minus £14,250 equals £1,655, divided by £250 and rounded up to the next £1 equals £7).

We will take account of the value of your property 12 weeks after you go into the home permanently unless it qualifies for exemption (see the section ‘What if I own my own home?’).

Allowances

We will take a personal expenses allowance of £25.65 a week from the total income, along with a deduction of up to £5.75 if you receive the savings part of Pension Credit.

We may be able to increase your personal allowance to cover any continuing unavoidable expenses you have relating to your home during the first few weeks of your permanent placement that are not covered by any state benefits.

Example of a financial assessment

Mrs Smith has been offered a place in a care home whose weekly fees are £650 a week (this amount is within the weekly limit that we are currently able to pay for a placement). The Council’s contribution/ceiling rate will depend on each individual case and the Council’s contribution will be the difference between the ceiling rate and Mrs Smith’s assessed contribution.

How are the fees broken down?

She receives a retirement pension of £152.60 a week and Pension Credit (the guaranteed part, not the savings part) of £30.00

Mrs Smith’s income	£182.60
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Minus personal allowance	£25.65
Mrs Smith's contribution	£156.95
Local Authority contribution	£493.05
Total	£650.00

How do you assess my contribution if I am married or living with a partner?

If you are married or living with someone as a couple and you alone are going into residential care, we will only assess your financial resources. Even if both you and your partner are going into care, we will assess your finances individually to work out how much you will each have to contribute towards the cost of your own care.

If you are married and going into residential care, and receive an occupational pension, personal pension or payments from a retirement pension annuity contract, we will ignore 50% of that pension for the purposes of the financial assessment if you choose to transfer that share to your husband or wife who is staying in their own home.

However, this may affect the state benefits that your husband or wife can receive. You may want to get independent advice to help you make this decision.

Short stay in a home (respite care)

You may need a short stay in a residential or nursing home. This may be for respite (a short break for either you or your carer of up to eight weeks) or in an emergency. Respite care is always subject to a charge regardless of the reason it is being arranged for.

If you have over £23,250 in capital we will expect you to pay the full cost of your respite stay. If you have under £23,250 we charge a fixed weekly charge for respite according to your age, as follows.

- Over a woman's pension age £169.12 a week
- 25 to a woman's pension age £116.85 a week
- 18 to 24 £98.05 a week

How do I pay for my contribution?

We will ask you to complete a financial assessment form and return it to us with the necessary proof of income.

The Financial Assessment & Benefits Team will then send you or your representative an assessment letter giving a breakdown of your financial assessment and telling you the weekly contribution that you have been assessed to pay.

Depending on the contract the Council has with the Care Home you will either receive an invoice for your contribution from the Council backdated to the date that you entered residential or nursing care, or you will be billed in the same way but by the Care Home. The Council will send you or your representative bills every four weeks in arrears and the Care Homes are instructed to issue their invoices in the same way.

Please note that this is a separate financial contribution from any third-party top-up that has been arranged with our Brokerage Team.

What should I do with any money I receive before my first bill?

If you are unable to complete a financial assessment form before you move into the home, we will charge you at a provisional rate depending on your age as follows:

- Over the woman's pension age £169.12 a week
- 25 to the woman's pension age £116.85 a week

Once we have received the financial assessment form, we will assess your finances back to the date that you went into the home. If you do not complete the financial assessment form, we will have no option but to charge you the full cost of the care home backdated to the date you went into the care home.

What happens if I give my money or assets away?

If you give your capital or assets away, for example, money or your house, to reduce the charge of the care home, we will treat you as still owning the assets. Depending on the value of the asset that you give away and the remaining assets that you hold, this could mean that you will be liable for the full cost of the home.

If you cannot pay the fees, we will claim the money from the person or people who you gave the money or house to.

Annual increases to charges

Private homes normally increase their fees in April. If you go into a private home, we may contribute to this increase if you do not pay the full fees yourself - as long as we consider the increase to be reasonable and no-one else is helping you to pay.

Every April, if you are not paying the full fees in the care home, we will reassess your weekly contribution to take account of changes in welfare benefit rates and any other changes in your financial circumstances.

With your permission, we can work out your contribution again using information we can get from the Department for Work and Pensions, adding inflationary increases to your other sources of income.

We will write to you setting out the revised contribution, and you will have the opportunity for a full reassessment if you think our calculation is wrong.

If we do not ask for your permission to collect this information for you, you can fill in a new financial assessment form every year to make sure you are paying the correct contribution based on your financial circumstances.

What can I do if I think the contribution is wrong?

If you think the contribution is wrong, please write to the Financial Assessments and Benefits Team and ask them to review the contribution.

Havering Council
Adult Social Care Financial Assessments and Benefits
Town Hall, Main Road
Romford
RM1 3BD
(01708) 433012, 433134, 434831 or 431218

What if I own my own home?

If your stay in a residential home is a temporary one, we will not count the value of your home in the cost of your stay. Please see the section on respite stays.

If your stay becomes permanent, we will take account of the value of your home, (and any outstanding mortgage), except in certain circumstances. Examples of these circumstances include where the house is currently occupied by:

- your husband, wife or partner;
- a relative who is aged 60 or over or a relative who is incapacitated (incapacitated means they receive a social security benefit which recognises incapacity or disability, or they would be eligible for one); or
- a dependent child aged 18 or under who you are responsible for.

Also, we will not take account of the value of your home if a friend or relative who has given up their home to move in with you to provide your care still resides in the property. Please note that they would have had to do so prior to you needing residential care.

We will always ignore the value of your home for the first 12 weeks of a permanent stay – this is called the 12-week property disregard (see the following section). This only applies during the first 12 weeks of a placement, therefore anyone who has been funding their placement privately then approaches the Council for funding will not be entitled to a 12-week property disregard.

However, you will still need to make a contribution towards the cost of your care from your income / capital during this period.

What is the 12-week property disregard?

If you are a property owner and do not have capital above the capital limit for funding set by the Department of Health, currently £23,250, you will be subject to a 12-week property disregard.

This means that for the first 12 weeks of your stay at the care home, we will ignore the value of your property. However, you will have to pay a financial contribution in this 12-week period based on a financial assessment of your income and capital.

If the cost of the home is more than what we are prepared to pay for a placement (our ceiling rate), the difference between our ceiling rate and the actual cost of the home can be paid by someone else or you can pay this yourself. If you choose a home which costs more than we can pay and you are subject to a 12-week property disregard or you have a deferred payment agreement in place you can pay your own top-up as a debt against your home. This is called a 1st party top-up. Any top up amount must be affordable and reasonable. If it is felt that you cannot pay the top up on an ongoing basis, then we will not agree to you moving into that home. The top-up is a separate payment to the home and must be arranged with our Brokerage Team (contact 01708 431205).

The home will bill you or the third party for the top-up element unless agreed otherwise and the council will send a bill to you or your representative for your contribution.

We will not claim back our part of the funding from you at the end of the 12 weeks.

Example of the 12-week property disregard

Cost of placement	£750.00 a week
Your assessed contribution	£150.00 a week
Council contribution	£500.00 a week
Your first/third-party top-up	£100.00 a week
Total	£750.00

The current maximum, dependent upon needs, that the Council will pay for residential care is £650.00 a week, less your contribution. In this example, we would contribute £500.00 a week towards the cost of the fees for the first 12 weeks of the permanent placement.

After this period, we will include the value of your property when we work out your capital. If your total capital including your property is over £23,250, you will have to pay the full cost of the care-home fees.

If you cannot pay the full cost of your care, either because your property has not yet been sold or because you do not want to sell your property, we may enter into a deferred payment agreement with you.

What is the Deferred Payments Scheme?

The Deferred Payments Scheme is designed to help you if you have been assessed as having to pay the full cost of your residential care – but cannot afford to pay the full weekly charge because most of your capital is tied up in your home.

Effectively the scheme offers you a loan from Havering Council *using* your home as security. It doesn't work in exactly the same way as a conventional loan – the Council doesn't give you a fixed sum of money when you join the scheme, but pays an agreed part of your weekly care and support bill for as long as is appropriate.

You will pay a weekly contribution towards your care that you have been assessed as being able to pay from your income and other savings. The Council pays the part of your weekly charge that you can't afford until the value of your home is realised.

The part the Council pays is your 'Deferred Payment'.

The deferred payment builds up as a debt – which is cleared when the money tied up in your home is released. For many people this will be done by selling their home, either immediately or later on. You can also pay the debt back from another source if you want to.

However, you do not have to sell your home if you don't want to – you may, for example, decide to keep your home for the rest of your life and repay out of your estate, or you may want to rent it out to generate income. If you do this, you will be expected to use the rental income to increase the amount you pay each week, thus reducing the weekly payments made by the Council, and minimising the eventual deferred payment debt.

Charging Interest

The loan will have interest charged on it in the same way a normal loan would be charged on money borrowed from a bank. The maximum interest rate that will be charged is fixed by the government. Currently the maximum rate to be charged is based on the cost of government borrowing, and will change on 1 January and 1 July every year. The local authority currently charges 1.05%. This interest will be compounded on a daily basis.

The interest will apply from the day you enter into the Deferred Payment Scheme.

You will receive regular statements advising you how your charge is being calculated and what the outstanding sum on your deferred payment account is.

Your agreement with the Council

If you decide to use the Deferred Payments Scheme, you enter into a legal agreement with the Council by signing an agreement document. The Council then places what is called a 'legal charge' on your property to safeguard the loan. You will be charged for this expense.

The agreement covers both the responsibilities of the Council and your responsibilities, one of which is to make sure that your home is insured and maintained. If you incur expenses in maintaining your home while you are in residential or nursing care, these will be allowed for in the amount that you are assessed as contributing each week from your capital and income.

You can end the agreement at any time (for example if you sell your home) and the loan then becomes payable immediately.

Otherwise the agreement ends on your death and the loan becomes payable 90 days later. The Council cannot cancel the agreement without your consent.

Costs associated with the Deferred Payments Scheme

In addition to the interest accrued on the deferred fees the Council also charges an administration set-up fee, which is £658.00 plus any fees from the Land Registry for placing the charge. This fee covers the costs incurred by the Council in getting the Deferred Payments Agreement in place and the charges placed on the property.

In addition an annual fee of £89.00 is charged on each anniversary of the agreement start date to cover the on-going costs of maintaining and administering the arrangement.

It is preferable that these fees be paid immediately when they are incurred however it is possible to add these fees to the deferred fees and settle them all together once the capital in the property has been realised. However, be advised that if the admin fees are deferred they too will incur interest.

Other options

You may choose to rent out your property, which could give you enough income to cover the full cost of your care. There are advantages to this as you will not accrue a debt, be liable for interest and administrative charges and your property will be occupied. Your tenant will be paying utilities and council tax which will reduce your outgoings.

There are also various equity release products which may be suitable for your personal circumstances.

You may also choose to pay the full cost of your care from your available income and savings/assets; or a family member may choose to pay some or all of this for you.

You should take independent financial and legal advice to help you decide which course of action will be financially better for you.

In order to be eligible for the Deferred Payment Scheme you must:

- have capital (excluding the property) of less than £23,250.
- be professionally assessed as requiring and be entering permanent residential / nursing care in a registered care home;
- own or have part legal ownership of a property, which is not benefitting from a property disregard, and ensure your property is registered with the Land Registry (if the property is not, you must arrange for it to be registered at your own expense);
- have mental capacity to agree to a deferred payment agreement or have a legally appointed agent willing to agree this

Whilst in the agreement, you will also need to:

- have a responsible person willing and able to ensure that necessary maintenance is carried out on the property to retain its value, you are liable for any such expenses;
- insure your property at your expense;
- pay any client contribution in a timely and regular manner; if you fail to pay the client contribution on a regular basis the council reserves the right to add this debt to the loan amount.

There can be no other beneficial interests on the property, for example outstanding mortgages or equity release schemes, unless this is approved by the Council.

Example of a deferred payment (applicable from the start of the 13th week) 1

Boris lives alone. He has a State Pension of £185.15, Attendance Allowance at the high rate of £92.40, a personal pension of £31.00 a week, Pension Credit of £26.25 (the Guarantee Credit part) and Pension Credit of £16.50 (the savings part) but no other capital. He also has a property worth £250,000. He has to go into residential care permanently.

The residential home costs £850 a week. His total income is not enough to pay for the care home but as he is assessed as having capital over £23,250 (the value of his home), he has to pay the full fees after the 12th week of his stay. He enters into a deferred payment agreement with us.

We will pay the difference between the assessed client contribution and the cost of the home. The difference that we pay will build up and will be paid when his property is sold. We will send monthly bills for the client contribution to be paid.

Care home fees	£850.00
Boris' assessed contribution	£325.65
Deferred contribution	£524.35

Example of a deferred payment (applicable from the start of the 13th week) 2 – inclusive of a first party top up

Joan lives alone. She has a State pension of £185.15, Attendance Allowance at the high rate of £92.40 and Pension Credit of £15.23 (the Guarantee Credit part). She has savings of £18,000 and owns a property worth £310,000. She needs to go into permanent residential care.

The residential care home costs £750 per week, which is in excess of the Council's maximum contribution (Joan's Personal Budget) of £650.00 per week, meaning that a top-up of £100.00 per week is required.

As Joan's income is not enough to pay the full weekly cost of her care, but has capital over £23,250 (due to the value of her home) she has to pay the full cost of her care after the 12th week of her stay. She enters into a Deferred Payment Agreement with the Council.

We will pay the difference between the assessed client contribution and the cost of the home up to the maximum contribution. The difference that we pay will build up and will be repaid when her property is sold. We will send monthly bills for the client contribution to be paid.

As Joan does not have any family, or close friends, who would be able to pay the top-up element, she has agreed to pay this fee herself in addition to her client contribution. As she has savings of £18,000 she is able to pay the top-up fee for the first 12 weeks of the placement as well as her client contribution and has agreed to pay this sum direct to the care home, who will invoice her for these fees.

Arrangement during the 12-week property disregard;

Care Home fees	£750.00	
Council's maximum contribution (Joan's Personal Budget)		£650.00
Top-up	£100.00 (to be paid to Care Home)	
Joan's assessed contribution	£267.13 (to paid to the Council)	

After the 12-week property disregard has ended she has arranged for the top-up to be added to the sums being deferred, meaning that she would only be required to pay her client contribution while the Deferred Payment Agreement is in place.

Arrangement from the 13th week onwards

Care Home fees	£750.00	
Council's maximum contribution (Joan's Personal Budget)		£650.00
Top-up	£100.00 (to be deferred for later payment to the Council)	
Joan's assessed contribution	£267.13 (to paid to the Council)	
Deferred contribution	£382.87 (to be deferred for later payment to the Council)	
Total amount deferred	£482.87	

Benefits in a care home

What happens to my benefits when I enter a care home?

The following information tells you about what benefits you may be entitled to if you are:

- contributing towards the cost of your care; or
- paying the full cost of your care.

Some benefits are not affected by being in a care home, although they will usually count as income when we assess your contribution. When you enter a care home (either temporarily or permanently) you can continue to receive the following benefits:

- State Pension
- The mobility part of Disability Living Allowance/Personal Independence Payment
- Incapacity Benefit / Employment Support Allowance Contribution Based
- Severe Disablement Allowance
- Bereavement Allowance
- Widowed Parent's Allowance
- Widow's Pension
- Widowed Mother's Allowance
- Child Tax Credit (if you continue to be responsible for a child)

The following benefits are affected:

- Attendance Allowance
- The care part of Disability Living Allowance/Personal Independence Payment
- Carer's Allowance
- Pension Credit
- Income Support / Employment Support Allowance Income Related
- Housing Benefit
- Winter Fuel Payment

What happens to Attendance Allowance and the care part of Disability Living Allowance/Personal Independence Payment?

Attendance Allowance and the care part of Disability Living Allowance/Personal Independence Payment are benefits paid to people who need help with personal care or people who need supervision.

Attendance Allowance and the care part of Disability Living Allowance/Personal Independence Payment are only paid for the first 28 days of your stay in a care home (whether temporary or permanent), including time spent in hospital. This will be included when we work out your contribution.

Who can receive Attendance Allowance and the care part of Disability Living Allowance/Personal Independence Payment after 28 days?

There are two groups of people in residential and nursing care who can receive Attendance Allowance or the care part of the Disability Living Allowance/Personal Independence Payment after 28 days.

They are:

- people who are paying for their own care; and
- people who have deferred payments.

What happens to Carer's Allowance?

To qualify for Carer's Allowance, you must spend at least 35 hours a week looking after someone who receives Attendance Allowance (AA) or Disability Living Allowance (care part) or either care element of Personal Independence Payment at the middle or highest rate. Once this person is in a care home permanently and their AA or DLA/Personal Independence Payment (care part) stops, or you stop caring for at least 35 hours a week, your carers allowance will stop.

If the person you care for continues to receive Attendance Allowance or Disability Living Allowance because, for example, they are self-funding, Carer's Allowance will stop after four weeks from the date they go into the care home. This is because the Carer's Allowance rules only allow a set number of weeks for a break in caring. You are allowed a 12-week break in any 26-week period but only four weeks of that is allowed for temporary breaks in care, for example, because someone is in a care home on a respite stay or on holiday. The other eight weeks are allowed for hospital stays for either the carer or the person who is cared for.

Some carers will be getting extra Income Support or Pension Credit because they are entitled to Carer's Allowance. When the entitlement to Carer's Allowance stops, the extra amount in Income Support or Pension Credit only continues for a further eight weeks.

What happens to Pension Credit?

When you enter a care home temporarily, your Pension Credit may be affected. If your Attendance Allowance ceases and you are in receipt of Severe Disability Premium then your Pension Credit may be reduced. If you are part of a couple, you will continue to be paid as a couple and the amount will not be affected.

When you enter a care home permanently, you should contact the Pension Service on 0800 731 0469, telling them about your change of circumstances and that you have now moved into a care home permanently.

They will then work out your Pension Credit and pay it at the correct rate. If you are part of a couple, the Pension Service will treat you as a single person for benefit purposes.

They will treat you and your partner's income separately and pay you on an individual basis. After you tell the Pension Service about your change in circumstances, it is very important that your husband, wife or partner claims Pension Credit (0800 99 1234) or Income Support / Job Seekers Allowance / Employment Support Allowance (0800 055 6688) in their own right.

This will make sure that both you and your partner are receiving the correct benefits.

What happens to Housing Benefit?

When you enter a care home permanently, you can no longer receive Housing Benefit for your home in the community. Someone else who lives there may be able to claim Housing Benefit instead.

When you enter a care home temporarily, Housing Benefit can be received for up to 13 weeks of the initial period and for the four weeks' notice period.

Definitions of words used in this booklet

Capital is the total value of your house, savings and investments and cash, including National Savings Certificates, Premium Bonds, PEPs, ISAs and stocks and shares.

Care assessment is the way we work out what care services a person needs.

Ceiling levels are the maximum weekly amounts, including your contribution that we will pay towards a place in a residential or nursing home.

Deferred payment agreement and legal charge is a legal document which is attached to a property, similar to a mortgage, that we can use to reclaim any money owed from selling that property.

Income includes all earnings, state benefits, Income Support and Pension Credit, occupational pensions and private pensions.

Nursing homes provide accommodation with 24 hour board and nursing care. They are registered and inspected by the Care Quality Commission. The homes must employ a registered nurse on the premises at all times during the night and day, plus a doctor or consultant who must supervise medical care.

Personal Budget is the weekly sum of money that an individual is entitled to meet their needs. This sum is established as part of the care planning work carried out by the allocated social worker.

Residential homes provide accommodation with 24-hour board and personal care but do not have a registered nurse on site. They are registered and inspected by the Care Quality Commission.

Tariff income is a weekly contribution you will pay if you have capital and assets between £14,250 and £23,250.

Do I have to pay in a residential college?

If you are living in a residential college, you only pay your contribution while you are living there. You do not have to pay when you are living at home between terms.

If you need any other service from social services while you are at home, we may have to undertake another financial assessment and this may result in you being charged for the service.

Other information that is available

Information about care in a residential home, nursing home or residential college

You may want to discuss your needs with someone who is already involved in your care, for example, your doctor, district nurse or home-care assistant, or you can contact the Customer Services, Adult Social Care, on 01708 432000. You may want to get advice on a particular point from a friend, solicitor or accountant, or from a Citizens Advice Bureau or Age Concern.

The information given in this booklet is for guidance only. It does not replace the charging regulations and legislation. You can only get information on your own circumstances from Havering Council's Social Care Financial Assessment & Benefits team.

If you have any questions about anything in this booklet, or if you need any more information about any aspect of your care, please talk or write to a member of staff from one of the following teams/organisations.

- Customer Services, Adult Social Care 01708 432000
- Social Care Financial Assessments 01708 433134 or 431218 or 434831 or 433012
- Tapestry (formerly Havering Age Concern) 01708 796600
- Havering Citizens Advice – they hold sessions at libraries within the borough.
Check www.haveringcab.org.uk for specific details of these sessions.

The Pension Service

For benefit advice or claiming Pension Credit

Phone: 0800 99 1234

Benefits Delivery Centre (Glasgow)

For benefit advice on existing claims of Income Support, Job Seekers Allowance and Employment Support Allowance

Phone: 0800 169 0310

Job Centre Plus Claim Line

For new claims of Income Support, Job Seekers Allowance and Employment Support Allowance

Phone: 0800 055 6688

The Disability Benefits Unit

For benefit advice or claiming Attendance Allowance or Disability Living Allowance

Phone: 0800 731 0122

Or Personal Independence Payment

Phone: 0800 122 4433

The following information leaflets and booklets are available.

Pension Credit 'Do I qualify and how much could I get? – PC1L Produced by the Pension Service

Age UK, previously known as Age Concern, produce several helpful factsheets and leaflets relating to benefit entitlements and Local authority funding.

Havering Care Homes Directory – information about how to choose a care home or nursing home produced by LB Havering (2015)

Making a complaint or comment

If you think that you have not been dealt with properly and you want to make a complaint or comment, you should first speak to the member of staff you are in contact with or their manager. If you cannot resolve the problem with them, you can telephone 01708 433589 and ask to speak to the complaints manager who will be able to help you. We have a separate leaflet which gives you more information about how to make a complaint, compliment or comment, which can be sent to you on request. Your complaints, compliments and comments help us to improve our services.

Frequently asked questions

Will I have to pay and why do you charge?

With three main exceptions, most people have to make a contribution towards the cost of their care, which we work out according to a government formula. See page 7 and 7 for more details.

What income will you take into account and what is classed as capital?

We will take into account most of the money you have coming in and any savings or property of a total value of over £14,250. However, you will always be left with at least £25.65 a week personal expenses, which is an amount set out by the Government. See page 9 for more details.

How do I pay the assessed contribution and who will pay the home?

We will send you or your representative a bill every four weeks in arrears for your contribution. In most cases, we will pay the cost of the home's fees under a contract with that home.

OR

In some cases, (called 'net' payments), you will pay your contribution directly to the care home and we will pay the care home the difference between the cost of the care and your contribution.

What happens if I do not pay?

We will work out your contribution to your care using government legislation and guidelines. So, if you are assessed as having to pay for your care, we must collect this contribution from you. If you do not pay, you will receive a letter to remind you that you owe money on your account. If you do not take action to make a payment at this stage, we may have to take legal action against you.

Do I have to tell you about my finances?

You do not have to tell us about your finances if you do not want to. However, if you do not tell us we have to assume that you are able to fully fund the cost of your placement and you will be charged accordingly. See page 8 for more details.

Will I have to sell my house?

We will usually need to take account of the value of your house, but this does not mean that it will need to be sold. You may wish to pay charges from other sources or to defer charges against a future sale. We may also ignore all or part of the value of the house in certain circumstances. These are set out on page 13.

Will my contribution stay the same and what happens if my income changes?

Your contribution may change if there are any changes to your income, capital or outgoings. For example, most welfare benefits increase every April, so your assessed contribution will be increased in line with this. If your financial situation changes in any way, you must tell us as soon as possible so that we can reassess your contribution if necessary.

What happens to my benefits when I go into care?

Some of your benefits may increase or decrease when you go into residential or nursing care, and we will tell you about this when we work out your assessed contribution. See page 17 for more details.

Who can help me look after my finances?

If you need help to manage your finances, a friend or relative can act on your behalf. If you do not have anyone to help you, the council may be able to act on your behalf. See page 6 for more details.

Will I have to pay if I go into hospital?

If you go into hospital for less than 52 weeks, your benefits and income will stay the same so we will still expect you to pay your assessed contribution as long as the Council has a contract in place with the Care Home.

Individuals liable to pay the full cost of their care may be subject to a decrease in care after 28 days in hospital dependent on the type of contract in place with the provider.

What is the free nursing care contribution?

From 1 April 2003, the National Health Service (NHS) became responsible for paying for that part of the care of residents who are assessed as needing nursing care provided by a registered nurse. This does not mean that the rest of your care is free, and we will need to carry out a financial assessment to work out how much you need to contribute.

What is a third-party top-up?

We have contracts with a number of homes, and will try to offer you a choice of places in one of these residential or nursing homes that can meet your assessed needs. If none of these meet your assessed needs, we may agree to you finding another home.

If you choose to go into a home where the fees are higher than the amount we will pay, someone else (for example, a friend or relative) may pay the extra cost for you. This is called a third-party top-up. This amount is in addition to your assessed contribution. The Council would prefer your relative/friend to pay the top up directly to the home however, where circumstances warrant it, the Council would be prepared to discuss alternative payment arrangements. If they do not pay it, we will ask you to move to another home.

If I do not agree with my charge, who can I complain to?

See page 23 for more details.

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

You must contact the adult social care department and your needs will be assessed. See page 6 for more details.

What happens if I give away capital?

If you give money or property to friends or relatives before or after you move into residential or nursing accommodation, we may still consider it as belonging to you. See page 11 for more details.

What happens if my financial circumstances change and my level of savings goes above £23,250?

If your level of savings goes above £23,250 while you are in receipt of funding assistance from the Council, for example due to a property sale or an inheritance, then the Council would cease its involvement and you would be expected to fund your care privately direct with the care home.

Please be aware that the weekly rates the Council pays care homes are sometimes less than the standard rates care homes charge. Therefore, moving from being supported by the Council to a private arrangement may result in an increase in the weekly fee that you are subject to.

What is respite care?

Respite care is a period of care with a fixed end date. We will charge service users a fixed charge. See page 11 for more details.

Where can I get help and advice?

Contact Customer Services, Adult Social Care, on 01708 432000. Staff are there to help. They will be able to tell you about the various organisations that can help you, including ourselves. They will also be able to tell you whether you may be eligible for an assessment of your needs, and if so arrange for a social worker to visit you to complete this. You will be able to have a friend or relative with you at the assessment if you want.

Social workers

The purpose of the assessment is to discuss your needs and the best way we can help you to meet them. With your permission, we may ask for more information from the other people involved in your care.

This process is called a multi disciplinary care assessment. When you also have health needs, this will be a joint assessment with a nurse or doctor.


Your social worker will discuss with you the services that you need to help you stay in your home for as long as possible. If you are not assessed as needing residential or nursing care, they will tell you about the other services you are entitled to. These may include home care, equipment, day care or a short break away from your own home for respite care or rehabilitation. They may also be able to offer some support or services to a friend or relative who helps you (your carer).

If you would like this document in another format such as large print, braille or audio tape or if your first language is not English and you need help with it, please contact the Council.



London Borough of Havering Adult Social care Residential/
Nursing Care financial charges
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