

Lincolnshire County Council

Adult Care Charging Policy

Effective from: 1st April 2026

Due for review: 1st April 2030

Any changes in legislation or guidance will be considered by the council for incorporation when the legislation is introduced. Our Annual Statement of Charge, which can be found at [Appendix D](#), will detail any changes made.

How to read this document

Sections

This policy provides an overview of the charging process applicable to people in receipt of adult social care and support services within Lincolnshire. You can use the section titles within the [contents page](#) to go directly to the sections that apply to you.

Understanding terms

If there is a term you do not understand, there is a glossary included which explains many common terms used throughout the policy and your financial assessment ([Appendix 3](#)).

Factsheets

Your social care practitioner can provide you with factsheets as they break the policy down by topic or you can view our website:

[Paying for care – Lincolnshire County Council](#)

Additional help

Your social care practitioner should discuss the process with you and answer any general questions you have about paying for your care and support services. If you need additional help understanding the contents of this policy, please contact:

financialassessment@lincolnshire.gov.uk

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1. Overview of charging in Lincolnshire

1.1 Introduction and Legal Framework

Under Sections 14 and 17 the Care Act 2014 enable a local authority to charge a person when it is arranging to meet a person's care and support. In common with most councils, Lincolnshire County Council (LCC) charges for its Adult Social Care services.

To ensure charging is fair and easily understood by everyone, the Care Act 2014 provides a single legal framework for charging for care and support. Lincolnshire County Council follow this framework, applying the overarching principle that people will only be required to pay what they can afford.

People will be entitled to financial support based on a means-test and some will be entitled to free care. To assess what people can afford, LCC follows the regulations made under the Act including the Care and Support (Charging and Assessment of Resources) Regulations 2014 and it has regard to the Statutory Guidance issued by the Secretary of State.

This policy is also made having regard to the council's duties under the Equality Act 2010: -

- to eliminate unlawful discrimination, harassment, victimisation and any other unlawful conduct prohibited by the act
- advance equality of opportunity and foster good relations between people who share and people who do not share a relevant protected characteristic

The aim of the legal framework is to:

- ensure that you are not charged more than it is reasonably practicable for you to pay.
- be comprehensive, to reduce variation in the way everyone is assessed and what they pay.
- be clear and transparent, so you know what you will pay.
- promote your wellbeing, social inclusion and support the vision of personalisation, independence, choice, and control
- support carers to look after their own health and wellbeing and to care effectively and safely.
- be person-focused, reflecting the variety of care and caring journeys and the variety of options available to meet your needs.
- apply the charging rules equally so those with similar needs or services are treated the same and minimise anomalies between different care settings.
- encourage and enable those who wish to stay in or take up employment, education or training or plan for the future costs of meeting their needs to do so.
- be sustainable for us in the long-term

The Legal Framework

The main legislation, regulations and guidance that apply to this policy are:

- The Care Act 2014 (the "Act")
- The Care and Support (Charging and Assessment of Resources) Regulations 2014
- The Care and Support and Aftercare (Choice of Accommodation) Regulations 2014
- The Care and Support (Deferred Payment) Regulations 2014
- The Care and Support (Preventing Needs of Care and Support) Regulations 2014
- The Care and Support Statutory Guidance (as in force at the relevant time) in particular Chapters 8 and 9 and Annexes A-F
- The Equality Act 2010

You can see these acts and guidance on the Government website, [Welcome to GOV.UK](#)

Your social care worker will be able to provide you with further information and ensure you are part of planning your care for your individual needs and requirements. Further sources of information and support can be found in [section 4.7](#) of this policy.

Any aspect of charging for care which is not explicitly mentioned within this policy will be dealt with according to the Act and the Care and Support Statutory Guidance.

Link to the Care and Support Statutory Guidance: [Care and support statutory guidance - GOV.UK](#)

The amount you pay towards your care is different depending on whether someone is receiving care in a care home, or their own home, or another setting.

Lincolnshire County Council (LCC) has a corporate vision enabling people to live the lives they choose, as full members of the community they live in. Adult Care & Community Wellbeing's (ACCW) ambition is to empower people to lead healthy & independent lives for as long as possible during all stages of their life, through innovative, person-centred, cost-effective services. This policy guidance explains how we will use a strength-based approach to help you identify and achieve your own goals. We provide information regarding the financial implications for adults over 18 years who receive care and support arranged by ACCW and we fully endorse the principle that you will not be charged more than the cost of your care or pay more than you can afford. Therefore, we are likely to provide financial assistance if you have been assessed to have eligible care and support needs.

The Department of Health & Social Care (DHSC) set national upper and lower capital limits when assessing how much you can afford to pay for your care.

- If your capital exceeds the upper limit (currently £23,250) you will be deemed to be able to afford to pay the full cost of your care at a rate set by the provider; this is referred to as self-funding.
- If your capital is below the lower limit (currently £14,250) your capital won't be considered for assessment purposes, however you may still need to contribute towards your care services from your income

- If your capital amount is between the lower and upper limit (between £14,250 and £23,250), you will be assessed on your income, and an amount known as a “tariff income” will be applied to the capital amount you have at a rate of £1 per every £250 above the lower capital limit. If this applies to you there is a Treatment of Capital section which provides further explanation and examples. See [section 1.7](#).

The Mental Capacity Act - [Mental Capacity Act 2005](#)

Where a person lacks capacity, they may still be assessed as being able to contribute to the costs of their care. To complete a financial assessment however, you must have the mental capacity to manage your financial affairs or have a representative with legal authority to do so on your behalf. If you have the capacity to manage your finances but wish to nominate a person to represent or assist you during the financial assessment process, you can. [Section 1.6](#) details the valid legal authority required.

1.2 Types of Care

1.2.1 Residential Care

Residential care is where you live in a residential care home or a care home that provides nursing care (a nursing home), rather than in your own home. In this policy we will use the words care home to mean either a residential care home or a nursing home unless a distinction must be made.

If you are unable to live independently, even with extra support, you may need to consider moving into a care home. Your care and support needs at the time will be assessed and discussed with your social care practitioner and your family as part of your needs assessment. In certain circumstances, you may only need short term care. This may be appropriate for example if you are recovering from a hospital stay or illness, or to give the person who cares for you a break from their caring responsibilities. In other circumstances, you may need more permanent care and support within a care home. Any agreement will be reached with you, your family and your social care practitioner on the type and the length of the care that you might need.

Your needs assessment will clearly identify what type of placement is required to meet your needs e.g. one that provides personal care or one that provides both nursing and personal care. Care homes are independently run by a variety of private and not-for-profit organisations. All registered care homes are regulated by the Care Quality Commission. Their website ([Care Quality Commission](#)) provides general information and copies of inspection reports which have been undertaken by the Care Quality Commission to ensure they meet appropriate standards of care.

1.2.2 Community Care

Community care refers to care, and support received in your own home, or other setting, and other adult social care services provided in the community, outside of a care home, but not residential care. There are many different types of community services available to you, and your social care practitioner will be able to discuss which available services will best meet your needs. Some people have a mixture of services, but some people may only have one.

These services may include, but are not limited to:

- home care (care in your own home)
- specialist autism services
- day opportunities
- community support

- transport to services as part of a package of care
- supported living
- telecare, pendant alarm and Technology Enabled Care
- shared lives services
- mental health day services and housing support services
- other services you may purchase directly e.g. personal assistant

1.3 Who and which services are charged

If you are over 18 years of age, have been assessed as being eligible for care at home, in the community or in a care home, you will need a financial assessment to determine how much you will pay towards your care costs.

The Care Act makes provision for the following people to be exempt from paying for their care.

- People suffering from any form of variant Creutzfeldt-Jacob Disease (CJD)
- People who receive after-care services under section 117 Mental Health Act 1983 will be exempt for as long as the specific legal criterion under that Act is met and it is agreed you are in need of such services.

You are only eligible for Section 117 after-care if you have ever been hospitalised under Section 3, 37, 45A, 47 or 48 of the Mental Health Act 1983 and have since been discharged from hospital. If this applies to you, you will not pay for any after-care services required to meet your assessed need under section 117 however, the care need must relate to the reason you were detained.

It is possible to be in receipt of after-care services under Section 117 but have additional needs that are not related to your mental disorder; these needs would fall outside the scope of Section 117, and they would be assessed in the usual way, and you would be required to contribute to the cost of those services in accordance with your financial assessment.

Whilst not exempt from charges, it is recognised that prisoners have restricted access to paid employment, benefits and earnings in prison, therefore we do not charge prisoners for their care and support whilst in prison.

1.3.1 Services that are exempt from charges

The following is a list of non-chargeable services. If these are the only services you receive, you will not need a financial assessment. These are:

- **Reablement services (usually up to 6 weeks)**

Reablement services may be offered to you if you are finding it difficult to live independently in your own home. This could be due to a significant event such as admission to hospital, a fall or a health condition that has led to a decline in your ability to carry out daily living activities and other practical tasks.

Our reablement team will work intensively with you for a short period of time which is usually no longer than 6 weeks, in your home to help you maintain, regain, or adjust your self-help skills and maximize your opportunities for independence. They will work with you to find ways to meet your outcomes and identify any ongoing care and support.

- **Community equipment (aids and minor adaptations to property)**

We will not charge a fee for any community equipment in the form of aids and minor adaptations to your property which has been provided for the purpose of assisting you at

home or to aide your daily living. Aids provided free of charge to meet, prevent, or delay needs. A minor adaptation is one which costs £1,000 or less.

If you are receiving telecare, a pendant alarm or other pieces of Technology Enabled Care, you will not need a Financial Assessment but will be required to make a small contribution toward the costs of these services.

- **NHS continuing healthcare**

NHS continuing healthcare is an ongoing package of health and social care support that is decided, arranged and fully funded by the NHS. Your eligibility to continue to receive NHS continuing health care will be reviewed on a regular basis. If you are no longer eligible for NHS continuing health care and your services are being arranged by us, you will be responsible for paying any charge you have been assessed as being able to afford from the date the health funding ceases. As you will have been aware that you required care and support during your NHS continuing healthcare funding, LCC will request your financial details from at least the point at which your NHS continuing healthcare funding began when assessing your finances. Consideration of the application of deprivation of assets will be relevant for this period. We recommend that you take steps to preserve your capital and income during a period of NHS continuing Healthcare Funding as information about your finances will be included in future financial assessments should your NHS continuing Healthcare Funding come to an end.

If you are no longer eligible for NHS continuing health care and your services are being arranged by us, you will be responsible for paying any charge you have been assessed as being able to afford from the date the health funding ceases.

- **Your care assessment and care planning**

We will not charge a fee for undertaking an assessment to help you identify your eligible care needs and outcomes, or to produce a care and support plan. Similarly, we do not make a charge for completing a financial assessment if you request one. If you have eligible needs and assets above the upper capital limit making you a self-funder and you make a request for us to arrange non-residential care on your behalf, we will charge a one-off set-up fee to cover administrative costs of £445.00. You may still have to pay a contribution or pay for all of your care depending on the outcome of your financial assessment.

If, however, you do not have the mental capacity to arrange your own care and support and have nobody to do so on your behalf, we will arrange your care for you, and you will not be charged the one-off set-up fee. You may still have to pay a contribution depending on the outcome of your financial assessment.

- **Carers' support services, usually an unpaid or voluntary carer**

We will not charge for a carers assessment or for access to information and advice about available services, including some care and support services which are already available at no charge.

Following a carers assessment, your carer may be eligible for a personal budget in their own right. This is intended to provide your carer with their own support to carry out tasks they may have neglected because they are providing care and support to you. This may include practical tasks such as maintaining their home or garden. We will however consider your carer's ability to organise their own support and provide information and advice to them about ways in which they can maintain their caring role.

A carer's assessment is an opportunity for your carer to discuss their caring role and explore what support they would benefit from. This may identify that your carer's needs could be met by arranging time away from their caring role, for instance so that they can stay on top of other aspects of their lives, and that to achieve this, services need to be

provided to support you in their absence. Such services would be provided direct to you, even though they may meet the needs of both you and your carer. We would not charge your carer for these services, and any charges to you will be based on our policy for charging for care and support for the services you receive.

1.4 Personal Budgets

Personal budgets are a key part of the government's aspiration for a person-centred care and support system. Section 26 of the Care Act 2014 and the Care and Support (Personal Budget Exclusion of Costs) Regulations 2014 placed personal budgets into law for the first time.

This is a monetary amount that your care outcomes would cost if we arranged the care for you. Your personal budget will always be an amount sufficient to meet your eligible care and support needs. Should you choose care more expensive than we calculate your budget to be, you will need to top this up. It must also include what it would cost us to meet the needs that we have a duty to provide or have chosen to provide. Therefore, a personal budget is made up of what you can afford to pay, and any remaining amount is met by us. The amounts are determined by the completion of a financial assessment.

You can use your personal budget to arrange your care and support in the following ways:

- By receiving directly provided care & support arranged by us
- As a Direct Payment for you to arrange your own care & support

1.5 Self-funders

A self-funder is someone who has to pay for the full cost of their care and support usually at the providers private rate for their respective service. The most common situation is where you have relevant capital and/or investments above the upper capital limit in force at the time, currently £23,250.

In some circumstance we will also be able to class you as a self-funder if you:

- have been assessed for care and support needs but you are not eligible for adult social care services.
- choose not to disclose your financial information to enable a full financial assessment to be undertaken — in these circumstances you will be asked to sign a declaration that you are happy to pay the full cost of services.
- fail to co-operate and/or do not provide a completed financial assessment form and the correct evidence within 28 calendar days of the start of care without good reason (see [section 1.14](#))
- are not eligible for financial support as an outcome of a full financial assessment.

If this is the case, you will still be entitled to a free assessment of your care needs. If you then wish for us to arrange and manage a community care package (not residential care) to meet your eligible needs, rather than making your own arrangements directly with your chosen service provider(s), you will be charged a one-off, non-refundable arrangement fee which is published in our Annual Statement of Charges. This will cover the costs we incur for arranging and reviewing your care and negotiating and managing the contract with the care provider.

Anyone may choose to enter private arrangements with care providers to arrange their care. If you are self-funding your care, you will have to contract with and pay your chosen providers. Your social care practitioner can provide further advice and direct you to further sources of information. You may also be able to apply for a deferred payment loan agreement to finance your care in a care home (see [section 2.5](#)).

If the outcome of the needs assessment is that you do not meet the eligibility criteria for residential care, then you may be requested to continue self-funding your care and your social care practitioner will work with you regarding future care needs.

In the event of not meeting the eligibility criteria for residential care, you may be assessed as meeting community-based eligibility in which case until arrangements are in place, you will be assessed under Temporary care arrangements (see [section 2.4](#))

For residential care, where you lack capacity and you are assessed to need residential care and where no one is willing or able to make the arrangements on your behalf, we will arrange care home accommodation for you. You will be required to meet the cost of all your care services at our rate from the date the care begins, until a full financial assessment can be completed to determine the rate you should contribute to your care and accommodation.

You may also use the services of outside organisations that are able to arrange and manage care packages on your behalf, for example, an independent social care worker or broker. In such circumstances, you and your representatives will be encouraged to fully consider both the benefits and the drawbacks this may offer in terms of additional choice, the potential charges of such organisations and the rates care providers would charge privately.

Once your assets start to fall towards the capital limit in force at the time or fall below £30,000, you should consider approaching us in good time to see whether we are required to meet your needs and provide financial assistance towards the cost. As a previous self-funder, you will be asked to provide at least 2 years' worth of financial evidence and may require a further care needs assessment. We reserve the right to ask for further details and evidence going back further in some complex cases, and where you have self-funded for several years.

As a previous self-funder, part of the financial assessment process is to calculate expected capital reduction for the relevant period to determine if your capital is at the level expected; this is referred to as a self-funding calculation. Where the capital is not as expected, you will need to advise and evidence why this is the case as part of your financial assessment.

In certain circumstances, and usually for care in a care home and where your income is high, you may find that your income alone exceeds the cost of your care; this is where you would be responsible for the full cost of your care usually at our agreed rates.

Please see [section 4.2](#) for details on where to get independent financial and legal advice and when the time comes, contact [customer services](#) who can direct you.

1.6 Financial Assessments

Where chargeable services are being arranged by the council, a financial assessment of income, capital and assets is required to establish what you can afford to pay. Once complete, you will be provided with a written record of that assessment. Our preferred method of correspondence is email; however, we will make alternative arrangements if you are unable to correspond in this way.

People have the right to decline a financial assessment and may decide not to provide the council with information about their financial circumstances. However, in these circumstances, they will not be eligible to any financial assistance from the council and will be required to pay for the full cost of their care and support plan set by your care provider.

If you request a financial assessment, but do not cooperate with our reasonable requests for information, our duty to complete an assessment will be deemed to be discharged and you will be assessed as self-funding.

To complete a financial assessment, you must have the mental capacity to manage your financial affairs or have a representative with legal authority to do so on your behalf. If you have the capacity to manage your finances but wish to nominate a person to represent or assist you

during the financial assessment process, you can do so by completing the relevant section on the financial assessment form; this is referred to as a voluntary representative.

There is no requirement that a person must agree to the charge for the charge to be valid and lawful.

Where you do not have capacity to manage your finances, your family members may be able to provide some information about your finances, we will make enquiries whether you have any of the following in place: -

- An enduring power of attorney (EPA)
- Lasting Power of Attorney (LPA) for property and affairs
- Property and affairs deputy under the Court of Protection
- Any other person dealing with your affairs (for example, someone who has been given Appointeeship by the Department for Work and Pensions (DWP) for the purpose of managing their benefits only

If you lack capacity to deal with your financial affairs and you do not have any of the above with the necessary authority to deal with your affairs, you may require the appointment of a property and affairs deputy through the Court of Protection.

Where an individual is seeking to deal with any of your assets or property (for example, selling your house, putting a charge on your property, selling stocks and shares etc) they must have the legal authority to do so. The legal authority must include the remit they have to act on your behalf, for example to enable them to proceed with a property sale, and/or join deferred payments on your behalf. This means that they must either have a valid Lasting Power of Attorney for Property and Affairs, an Enduring Power of Attorney or have been appointed by the Court of Protection (COP) to act as your Financial Deputy.

Family members can apply to the Court of Protection to be appointed as your financial deputy so that they have the legal authority to assist you and to deal with your affairs. The council will as a last resort consider making an application where you have no family to assist you. The process can take some time but once the legal authority is in place it will allow the person appointed to access information about your bank accounts and financial affairs and to be able to deal with financial affairs appropriately.

[Make, register or end a lasting power of attorney: Make a lasting power of attorney - GOV.UK](#)

[Make an urgent or emergency application to the Court of Protection - GOV.UK](#)

[Deputies: make decisions for someone who lacks capacity: Overview - GOV.UK](#)

[Become an appointee for someone claiming benefits - GOV.UK](#)

[Giving gifts \(web version\) - GOV.UK](#)

1.6.1 Types of Financial Assessments

Full Financial Assessment

The most accurate and preferred method for an adult social care financial assessment is one that is full and complete, and applicable to the service you are receiving. This would usually be community services received in a non-residential setting or either temporary or a permanent stay in a care home (residential or nursing care).

Interim Financial Assessments

While we wait for full information from you, we will look to complete an interim financial assessment. This temporary assessment is based on the details we currently have, such as information held by the DWP.

Once you have provided all the required evidence, and any relevant decisions have been made, we will finalise your full financial assessment. If the final amount shows that your contribution should be higher than the interim figure, you will need to arrange to repay us (LCC).

Light Touch Financial Assessments

There are some circumstances in which we are permitted, with your consent, to carry out what is called a "light touch" assessment. To do so, we must be reasonably able to presume based on evidence provided by you that you will be able to afford and continue to afford your contribution towards your care. In considering this, we will consider not only any evidence that you are able to provide but also the level of the proposed contribution that you will need to make. In these circumstances we will be able to treat you as if an assessment has been carried out.

The main circumstances in which a light touch assessment can be considered are as follows:

1. you have significant financial resources, and you do not wish to have a financial assessment. In these circumstances we will want to be satisfied that you are able to afford the charges. This may be evidenced where you have property clearly worth more than the upper capital limit or you have clear savings or other capital assets above the limit of £23,250 (see [section 1.7](#))
2. the charges for the services are small or nominal, and you are able to pay and would clearly have the relevant minimum income left, where carrying out a financial assessment would be disproportionate
3. where you have refused a financial assessment or we have been unable to carry out a financial assessment because you have refused to co-operate, and we can assume you have financial resources of more than £23,250, you can be charged the full cost of your care.
4. where DWP means tested benefits or state pensions apply which indicate whether you have an ability to contribute towards your cost of care; we can view this information directly with the DWP under their Memorandum of Understanding.

Before we undertake a light touch assessment, we will need your consent to do so and your confirmation that you are willing to pay the charges levied. Without this we will be required to undertake a full financial assessment. If you do consent to a light touch assessment you will still need to provide some details to us such as your date of birth, National Insurance number, any evidence referred to above and contact details. You will also be asked to sign a declaration for this to proceed.

Once a light touch assessment has taken place, you will be advised of the outcome and of your right to request a full financial assessment should you wish to do so. Information about the financial assessment is contained in this policy and on our website for you to be able to decide whether a light touch assessment is right for you.

1.7 Capital

(Annex B of the Care and Support Statutory Guidance)

[Care and support statutory guidance - GOV.UK](#)

As part of your financial assessment, you will be asked about any savings, investments and assets you own, or part own. In accordance with the regulations, some capital is considered in your assessment in full and some is disregarded (not included) indefinitely or for a fixed period. For example, capital under the lower capital limit, currently £14,250, is disregarded in the assessment, however we still need to verify the amount of capital to confirm that it falls under the threshold.

By providing details of all your capital assets we can make sure that you are being assessed correctly in accordance with the regulations. The following are some examples of capital that is taken into account; it is not an exhaustive list:

- any bank, building society, savings or investment accounts
- bonds, premium bonds and national savings certificates
- stocks and shares — 10% of value is not included
- life assurance policies or trusts/trust funds
- the value of any properties or land owned in this country or abroad, including your main residence see below
- capital held by the Court of Protection or a Deputy appointed by that Court
- capital in business

We will need to know details of any capital assets for example: property, land, an entitlement under a trust fund or other investments etc. Sometimes you may be an owner of an asset (legal owner) and named as such. In other cases, you may have an established entitlement in an asset, but your name does not appear as a legal owner. In this case you are known as a "beneficial" owner. In some cases, you may be both. In each of these scenarios it will be important to provide full details so that we can ensure you are assessed correctly. If you are

Example of capital dispute 1

You have £14,000 in a building society account in your name. You say that £3,000 is set aside for your granddaughter's education. There is no deed of trust or other legal arrangement in place which would prevent you using the whole amount yourself. You will therefore be treated as the beneficial owner of the whole amount and it will be counted in your financial assessment.

Example adapted from the Care Act 2014

Example of capital dispute 2

You have £10,000 in a bank account in your name and shares valued at £6,500. You provide evidence to show that the shares were purchased on behalf of your son who is abroad and that they will be transferred to him when he returns to the UK. Although you are the legal owner, you are holding the shares in trust for your son who is the beneficial owner. Only the £10,000 is therefore treated as capital for your financial assessment.

Example adapted from the Care Act 2014

unsure just include the information. Where ownership is disputed, we will ask for written evidence to prove where ownership lies.

1.7.1 How will we value a capital asset?

The value and treatment of capital assets are set out in the regulations and in Annex B of the Care and Support Statutory Guidance. Except for National Savings Certificates, the value of the asset is usually either the current market value of the asset (for example, property, stocks and shares) or its surrender value (for example premium bonds etc.). Where capital is jointly owned, the beneficial owner is treated as owning an equal share of that capital asset unless there is evidence that you own more (or less) than an equal share. The current market value of an asset is assessed as being the price a "willing buyer would pay to a willing seller". If there will be any actual expenses in selling the asset the value of the asset will be reduced by 10%.

If you have property, the property will be valued in accordance with its current market value at the time of your assessment minus:

- a) 10% of the value to allow for expenses of sale. Any expenses must relate to the actual sale, for example legal fees
- b) any outstanding debts secured on the property such as a mortgage/equity release

Where there is a dispute about the value of an asset, we will try to resolve this as quickly as possible by obtaining an independent valuation. If the asset is sold, the capital amount to be taken into account is the actual amount expected at the market value sale price less any actual expenses incurred. We know that sometimes property's sell for under market value with genuine reasons so it is important that you advise us of the reasons prior to proceeding with the sale to negate us questioning should there be a serious under value selling.

Capital, which is not immediately realisable due to notice periods, for example National Savings Bank investment accounts, will be considered in the normal way at its face value. This will be the value at the time of your financial assessment but may need to be confirmed and adjusted when the capital is realised. If you choose not to release the capital, the value at the time of the assessment will be used and reassessed each year in the usual way.

If while receiving care and support you inherit a sum of money, this will be included in the financial assessment from the date of entitlement.

1.7.2 How will capital be financially assessed?

Certain capital assets are not included in financial assessment, either in full or part for either a time limited period or permanently. You will need to inform us of your total capital/assets, including those that are held in account for you that you are not named on, to ensure you are financially assessed for your care contribution correctly.

The link below provides you with Annex B of the statutory guidance for Treatment of Capital [Care and support statutory guidance - GOV.UK](#)

In some cases, you may be treated as having capital that you do not have. This is known as notional capital. Notional capital may be money/capital/investment/property/asset that:

- a) would be available to you if you had applied for it.
- b) is paid to a third party in respect of you.
- c) you have deprived yourself of in order to reduce the amount of charge you have to pay for your care.

Your capital can comprise of both actual and notional capital.

The value of notional capital must be reduced over time by the difference between the weekly rate you are paying for your care and the weekly rate you would have paid if notional capital did not apply, this is referred to as diminishing notional capital.

How your capital is treated during the calculation of your charges depends on the total amount you have:

Amount of capital/savings	Treatment in financial assessment
£0 -£14,250	You won't need to use your capital resources (savings) to pay towards care and support. Any assessed charges will be worked out from your income and certain other assets which may be legally considered.
£14,251 - £23,250	Your financial assessment will include income added at a rate of £1 for every £250 or part £250. This is called tariff income
>£23,250	You are assumed to be able to afford the full cost of your care and support. We will class you as a self-funder (see section 1.5)

Capital tariff income example:

You have	£15,000	worth of premium bonds
Minus	£14,250	savings not taken into account
	<hr/>	
	£750	Capital balance (divide by £250 for tariff amount)

This calculates a capital tariff of £3 which will be added to your weekly income when calculating your charge, listed as your capital tariff income.

1.7.3 Assets held abroad

Where your capital is held abroad and all of it can be transferred to the UK, you will need to provide its value in the other country (this could be in the form of a letter from a property agent confirming the value) as it will be considered less any appropriate deductions.

Where your capital is held jointly, it should be treated the same as if it were held jointly within the UK. The detail will depend on the conditions for transfer to the UK.

Where your capital cannot be wholly transferred to the UK due to the rules of that country, for example currency restrictions, you will need to provide evidence confirming this fact. Examples of acceptable evidence could include documentation from a bank, Government official or solicitor in either this country or the country where it is held.

Where some restriction is in place, you will need to provide evidence showing what the asset is and the value of the asset. We will need to understand the nature and terms of the restriction so that should this change, the actual amount can then be revised accordingly.

1.8 Income

(Annex C of the Care and Support Statutory Guidance)

[Care and support statutory guidance - GOV.UK](#)

You will also be asked about the money you have coming in regularly or are entitled to. Only your income will be considered in the financial assessment. Where you have joint income or receive means-tested income as one of a couple, the starting presumption is that you have an equal share of the income; income is taken into account where it legally belongs to you. However, we will consider the implications for your partner.

Your income could be pensions, benefits or earnings. The form will prompt you for most common sources of income, however, you should provide information about all your income, as this will help us to advise you about any benefits you may be entitled to and are not claiming from the Department of Works and Pensions(DWP), (see [section 4.1](#)) and consider what income may need to be disregarded from your financial assessment

Benefits that you have chosen not to claim may be included in your income. Just like capital assets it is important that you advise us of all of your income. There are also some sources of income (just like capital) which will be disregarded in your financial assessment. Common sources of income and whether they are included or disregarded fully or partially when calculating your charges can be found in [Appendix 1](#). Income is net of any tax or national insurance contributions.

We disregard the enhanced element of some benefits such as Personal Independence Payment and only assess on the standard amount. This means that you will not be disproportionately impacted by the charging policy should you have higher needs.

In some circumstances you may be treated as having income that you do not actually have. This is known as notional income. This might include, for example:

- income that would be available on application but has not been applied for such as benefits you are eligible for but have not claimed or where you are eligible to receive a pension but have not arranged to draw down the maximum annuity income.
- income that is due but has not been received.
- income that you have deliberately deprived yourself of for the purpose of reducing the amount you are liable to pay for your care.

Notional income example:

You have a pension fund worth £30,000. You access this flexibly and as a result only draw down £5 a week as income when you begin to receive care and support. The maximum annuity income would be £120 per week. For the purposes of the financial assessment, we can assume an income of £120 per week.

Example adapted from the Care Act 2014

1.9 Couples

Every person is treated individually for purposes of a financial assessment. This means that we will assess only the income and capital of the individual who is undergoing the financial assessment. This approach applies in all care settings. Long standing jointly owned capital, assets, income and expenses will be divided equally when assessing your finances; unless

there is evidence that it is a sole asset, or you inform us otherwise on the form or via email/letter and provide evidence proving your share.

Informing DWP of a change in circumstances, such as moving into permanent residential care is strongly recommended. This will avoid overpayments of benefits such as attendance allowance and ensure the spouse remaining in the former home becomes financially independent and receives benefits in their own right: [Benefits calculators - GOV.UK](#)

1.10 Deprivation of income or assets

(Annex E of the Care and Support Statutory Guidance)

[Care and support statutory guidance - GOV.UK](#)

When undertaking or reviewing a financial assessment we may identify circumstances that suggest that you may have deliberately deprived or decreased your overall assets in order to reduce the level of contribution towards the cost of your care. This also applies if you have been self-funding your care and have deliberately deprived/decreased your assets to be eligible for financial support sooner than expected. People with care and support needs are free to spend their income and assets as they see fit, including making gifts to friends and family. However, it is also important that if you have care and support needs you pay the charges for your care costs that you are responsible for.

This is important to overall affordability of the care and support system. When referring to care and support needs, we refer to both informal and formal care and support; informal being provided by a family member or friend and formal being care and support being purchased. Where you have intentionally deprived or decreased your assets in order to reduce the amount you pay towards your care, this is known as deprivation of assets. We therefore look at whether you have removed your assets from our reach to avoid paying towards your care as part of the financial assessment process.

Deprivation can apply to both your income and capital.

Deprivation of assets occurs where you had a reasonable expectation of the need for care and support and you have disposed or reduced your income and/or assets to reduce the amount available to you to contribute towards your care.

Annex E of the Care and Support Statutory guidance provide examples what may be considered a deprivation of assets.

[Care and support statutory guidance - GOV.UK:](#)

- A lump sum payment to someone else.
- Substantial expenditure has been incurred suddenly and is out of character with previous spending.
- The title deeds of a property/land have been transferred to someone else.
- Assets have been put into a trust that cannot be revoked.
- Assets have been converted into another form that would be subject to a disregard under the financial assessment.
- Assets have been reduced by living extravagantly for example gambling.
- Assets have been used to purchase an investment bond with life insurance.
- Selling assets for less than the true market value
- Giving away or selling the right to an income from an occupational pension.

Cases where there may be potential deprivation; or where there are financial complexities are referred to our Financial Resolution Group (FRG) who will review the case. The group consists of Adult Care representation; Head of Service, Financial Strategy, Financial Assessments and Legal Services and meets monthly.

Deprivation of assets will not be assumed, as there may be legitimate reasons why you no longer hold a particular asset/s. When considering whether deprivation has occurred, we consider several factors, including the reason for the transfer, timing, circumstances at that time, impact on your finances (proportionality), and whether you were receiving or could reasonably have expected to need either formal or informal care and support.

We will therefore consider:

- (a) Whether avoiding the care and support charge was a significant motivation in the timing of the disposal of the asset.
- (b) At the point the capital was disposed of could the person have a reasonable expectation of the need for care and support.
- (c) Did the person have reasonable expectation of needing to contribute to the cost of their eligible care needs?

Deprivation should only be considered where you cease to possess assets that would otherwise have been taken into account.

Our decision-making also considers the Office of the Public Guardian (OPG) guidance and relevant case law. Further information on gifting can be found in the OPG's published guidance: [Giving gifts - GOV.UK](#)

Rules for Inheritance Tax (IHT) are different from the rules used when assessing what you pay for care. Making gifts motivated by Inheritance Tax planning is generally considered inappropriate once you are receiving care and support or seeking financial assistance, as you are expected to preserve your income and capital to meet your current and future care and support needs.

Deprivation of assets example 1

You have £18,000 in a building society and use £10,500 to purchase a car. Two weeks later you enter a care home and give the car to your daughter.

If you knew when you purchased the car that you could need care due to a deteriorating health condition, then deprivation of assets would be considered. However, all the circumstances must be considered, so if you were admitted as an emergency and had no reason to think you may need care and support when you purchased the car, this is unlikely to be considered deprivation.

Example adapted from the Care Act 2014

Deprivation of assets example 2 — notional capital:

You had £21,000 in your savings account. This was the total of your assets.

One week before starting care you give your 3 children £7,000 each. As you knew you would be starting a care package, it would be reasonable to infer, without any other explanation that the sole intention was avoiding care and support charges.

Had you not given the money away, the first £14,250 would have been disregarded and you would have been charged a tariff income of £1 for every £250 on your assets between £14,250 and £21,000, a difference of £6,750.

This means you should have been assessed as being able to afford an extra £27 per week (£6,750 divided by £250).

The £21,000 you gave away will be treated as notional capital and £27 per week will be added to your assessment.

If our view is that there has been a deprivation of assets, we will either treat you as if you still have possession of those assets for the purpose of the financial assessment; this is called notional capital or notional income or where assets have been transferred to a third party to avoid the charge, we may take action against the third party. As with any debt, when other efforts to retrieve the debt have been exhausted, recovery proceedings can be instigated against you or the third part recipient. When pursuing the recovery of charges, we will act in accordance with Annex D and Annex E of the Care and Support Statutory Guidance.

1.11 Expenses

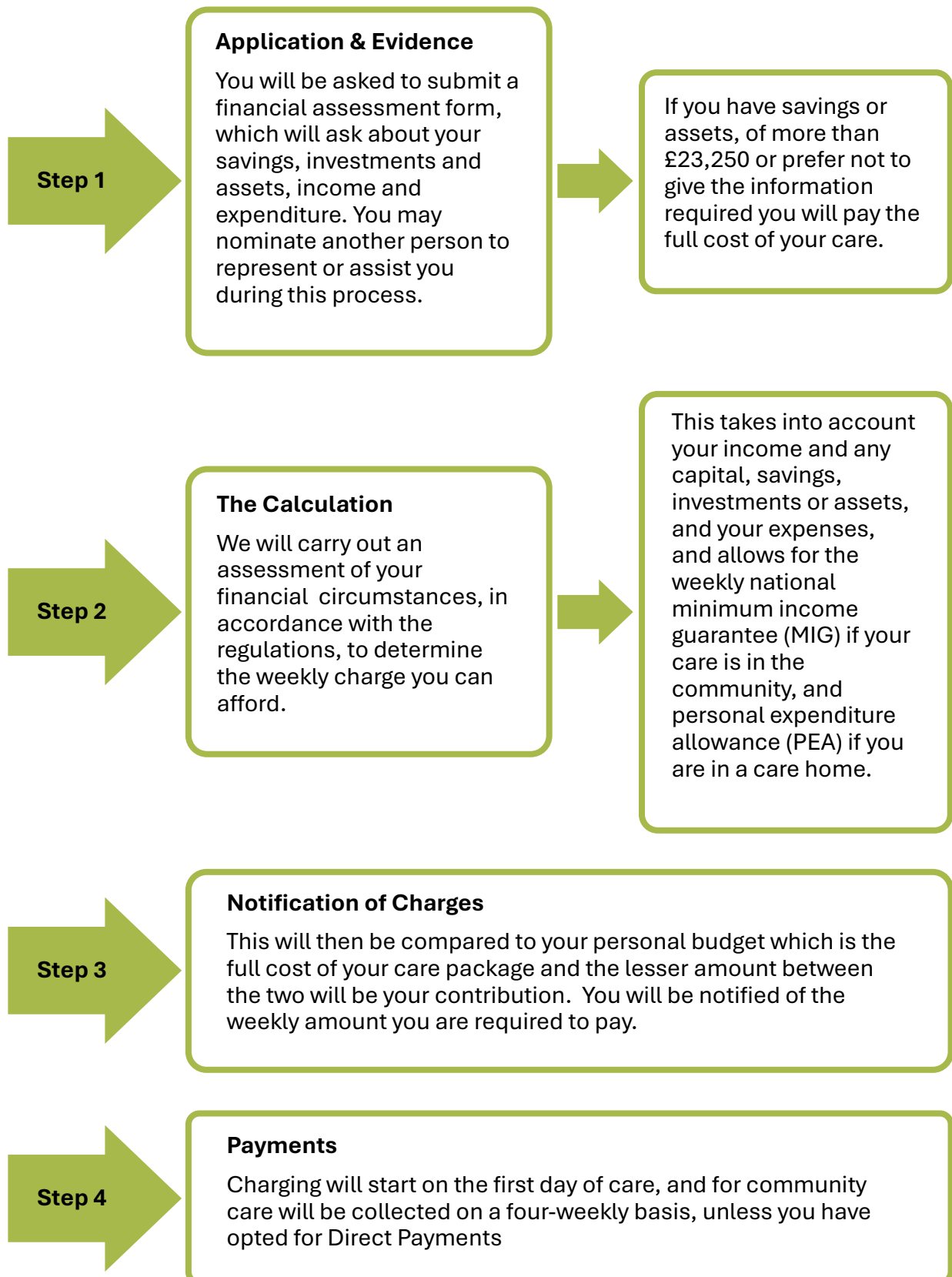
Your expenditure will be treated differently during the financial assessment depending on the type of care you are receiving and the type of financial assessment being undertaken:

- **community care** - your household costs (see [section 3.3](#)) and disability related expenditure (see [section 3.4](#)) will be taken into account.
- **temporary residential care** - expenses will be taken into account to maintain your home throughout your stay in addition to a personal expenditure allowance (see [section 2.4](#))
- **permanent residential care** - you will be left with a minimum amount of income known as personal expenditure allowance (see [section 2.4](#))

An allowance of up to £5,000 is allowed for funeral expenses, where evidence of a purchased plan or bond, is provided.

1.12 The financial assessment process

These steps are explained in more detail below:



1.12.1 Step 1: application and evidence

Once your care needs have been assessed, you will be asked to submit a financial assessment and supporting documentation. This will be used to determine how much you will be charged towards your care costs.

We have several ways to apply for financial assistance, and your social care practitioner will be able to provide you with initial support and refer you to further support if required.

You will be asked about your savings, investments and assets, the money you have coming in, and your expenditure. Further details about what we need to know can be found in [section 1.13](#) with a full list of evidence we may require in [Appendix 2](#).

In order for us to process your financial assessment in a timely manner:

- You should submit your financial assessment form as soon as possible following your care needs assessment which identified eligible care and support needs, but no later than 28 calendar days after you have been given the form.
- You should submit the required evidence (see [Appendix 2](#)) as soon as possible.
- You may be contacted by a member of the Adult Care Financial Assessments Team to ask if you need any help or to request any further information that is needed.

Any delay in submitting the financial assessment and/or any evidence required may result in the following circumstances:

- if you have not submitted your financial assessment form within 28 calendar days of receiving it, or following the start of care, or been in contact to inform us that the late return is due to waiting for help or evidence, you may be treated by us as someone who has to pay the full cost of your care, until an assessment can be completed.
- if you have selected to have a Direct Payment, any delay in submitting your financial assessment and documentary evidence, is likely to delay when payments to you can start.

Any delay in submitting the financial assessment and/or any evidence required will result in the following circumstances:

If you need to amend any of the information on your financial assessment, you can notify us in writing via email or use “our contact us” service; any evidence of the change will currently need to be emailed or posted to us. You need to do this as soon as you realise the error as your charges will start based on the initial assessment made and therefore may result in backdating of charges as arrears. Any increase in charge will be backdated to the start of the change or the beginning of the financial year, whichever is the shorter. Any refund due will be from when the notification of change was given.

Contact Us: [Contact Us](#)

Email: financialassessment@lincolnshire.gov.uk

Address: Lincolnshire County Council, Adult Care Financial Assessments Team, County Offices, Newland, Lincoln, Lincolnshire, LN 1YL

For further information on changes in circumstances and backdated charges please see [section 1.15](#).

1.12.2 Step 2: The Calculation

Your final charge will not be confirmed until your care package is confirmed. You will never pay more than the total cost of your care package.

If you and your partner are both receiving care, you will be assessed individually and each of you will be given an individual weekly charge.

We will follow the steps below when assessing your financial circumstances:

The Calculation

Consider capital

Money coming in
plus capital tariff

Minus income not
counted

Minus allowed
expenses you have

Minus MIG or PEA

**Totals your
maximum charge**

1. Consideration of capital (see [section 1.7](#)).
2. Calculate your total income including an amount for savings known as Capital Tariff (see [section 1.7](#)).
3. Some income and benefits are excluded for the purposes of calculating your charge and these are deducted (see [section 1.8](#)).
4. From the total income, any allowable expenses are deducted including Disability Related Expenses (DRE — see [section 3.4](#)) if you have community care, and those that are applicable for temporary residential care.
5. The Minimum Income Guarantee (MIG — see [section 3.2](#)) is applied for community care and the Personal Expense Allowance (PEA — see [section 2.4](#)) is applied for care in a home and any other specific allowances in relation to temporary care.
6. The amount which remains is the maximum you can be asked to pay for your social care service for the current financial year.
7. The full cost of your care and support, based on your Personal Budget, is compared to the maximum amount you can afford to pay. You will be charged the lower of these two amounts.

The rates used below are examples, however the rates are reviewed annually by the government.

Residential services financial assessment calculation example 1

Your Personal Budget (see [section 1.4](#)) is £26,104 for the year - that is the cost of your care is £502 per week

Your weekly income is:

State Pension		£169	
Private Pension	+	£150	
Tariff income		£ 3	(see section 1.7)
		<u>£322</u>	

Deductible allowances:

PEA		£31.80	(see section 2.4)
Savings Credit disregarded*	+	£ 7.30	
		<u>£39.10</u>	

Maximum charge:

Weekly income		£322.00	
Allowances	-	£ 39.10	
		<u>£282.90</u>	

Therefore, you are assessed as being able to afford **£282.90** a week towards your care costs, the remainder of the cost of care will be paid by LCC. **Where you are entitled to the disregarded*

Community services financial assessment calculation example 1

Your Personal Budget (see [section 1.4](#)) is £5,200 for the year - that is the cost of your care is £100 per week

Your weekly income is:

State Pension		£169.00	
Lower rate Attendance Allowance	+	£72.65	
Tariff income		£3.00	
		<u>£244.65</u>	

Deductible allowances:

DRE band 3		£27.00	(see section 3.4)
MIG	+	£228.70	(see section 3.2)
		<u>£255.70</u>	

Maximum charge:

Weekly income		£244.65	
Allowances	-	£255.70	
		<u>-£11.05</u>	

Your weekly income is less than the allowable expenses so you will not be charged.

Community services financial assessment calculation example 2

Your Personal Budget (see [section 1.4](#)) is £5,200 for the year - that is the cost of your care is £100 per week

Your weekly income is:

State Pension		£169.00
Private Pension		£150.00
Lower rate Attendance Allowance	+	£72.65
Tariff income		£3.00
		<hr/>
		£394.65

Deductible allowances:

DRE band 2		£17.00	(see section 3.4)
MIG	+	£228.70	(see section 3.2)
		<hr/>	
		£245.70	

Maximum charge:

Weekly income		£394.65
Allowances	-	£245.70
		<hr/>
		£148.95

Therefore, you are assessed as being able to afford up to **£148.95** a week towards your care costs based on your current financial information.

Residential services financial assessment calculation example 2

Your income, allowances and cost of care are the same as example 1 but you own a property valued at more than £23,250.

Property value is usually disregarded for the first 12 weeks of permanent care. So, for this period you would be assessed, like example 1, to be able to afford £282.90

During the 12-week property disregard period, if applicable, you have the option to enter into a deferred payment agreement (see [section 2.5](#)).

You will continue to pay £282.90 a week towards your care, with the remaining amount deferred against the value of your property which is secured by way of a legal charge on your property. Weekly costs:

Total cost of care (total bed price)		£767.00
Maximum charge		£282.90
		<hr/>
Deferred amount		£484.10

If you choose not to join the deferred payment agreement, then you will be required to self-fund your care from the end of the 12-week property disregard (see [section 2.3.1](#)).

1.12.3 Step 3: notification of charges

We will write to you, usually via email, to inform you what your weekly charge is, even if it is zero. You will be sent the result of your financial assessment, showing how this has been calculated from the information you have given us. We may need to ask you for any clarification or additional information particularly where we have undertaken an interim financial assessment.

1.12.4 Step 4: payments

Community care charges will start on the first day of care and will be collected on a four-weekly basis, unless you have opted for Direct Payments.

Residential care — charging will start on the first day of care. We are currently transitioning to the council collecting residential charges as we do Community Care Charges.

However, this change is on a phased implementation. Therefore, your charge may be collected by the home on our behalf or directly by the council. Your social care practitioner and/or the financial assessments team will advise you of the arrangements for the home you reside in.

Residential care First/Third Party Top Up payments — charging will start on the first day of care. Due to the phased implementation of the council collecting residential charges, any top up may be collected by the home on our behalf or directly by the council. Your social care practitioner will advise of the arrangements for Third party top or where applicable your First party top up. Your social care practitioner will arrange for the applicable agreement to be signed by the relevant parties.

You may choose to take out a deferred payment agreement to pay your care home (see [section 2.5](#)). You can choose to add a first party top up, and this will be added to the accruing debt under the deferred payment agreement.

Charges will be due to the last full day in which you receive care for community services and the last night of care for residential care, subject to the provider's notice periods.

1.13 Providing information to us

You will need to provide proof of the following within 28 calendar days of the financial assessment form being issued:

- all income (e.g. wages, pensions, benefit awards)
- all current accounts, savings and investments
- any property owned in the last 2 years
- legal status of your representative(s)
- housing costs (e.g. rent or mortgage statement, council tax, utility bills, insurance)

For a full list of the type of evidence we will require, please see [Appendix 2](#).

How to supply this information:

Online	<ul style="list-style-type: none">• This will be the preferred and main method for a financial assessment• You or your representative will receive a link to our online form, and guidance, and you will need to complete your online application and supply copies of all the evidence you are required to provide via email.
Email	<ul style="list-style-type: none">• If, you or your representative cannot submit an online application, or it is not available, you will be provided with a form via email.• You will need to return this fully completed along with copies of all evidence you are required to provide via email preferably (or by post). If posting then, please do not send originals as we are unable to return them.
Telephone	<ul style="list-style-type: none">• If, you or your representative cannot submit either an online or email application we will look to complete a telephone assessment with you/your representative using our online form over the telephone.• You will need to forward copies of all evidence you are required to provide. If posting, please do not send originals as we are unable to return them.
Post	<ul style="list-style-type: none">• If, you or your representative cannot submit either an online or email application, or a telephone application you will be provided with a form in the post.• You will need to return this fully completed along with copies of all evidence you are required to provide. Please do not send originals as we are unable to return them.

You have the right not to provide details about your financial circumstances; in this case you will be deemed able to pay for your care costs in full as it is your responsibility to satisfy us that your means are insufficient to be able to pay the full cost of care or self-fund your care, either in the community or in a care home.

1.14 Failure to provide information or providing false information

Please be aware that if you are submitting information as part of your financial assessment, the law requires you to declare your true financial circumstances and all your assets and savings. Failure to do so or the giving of false details could result in you or your representative being liable to legal proceedings.

Our audit procedures allow us to check all your evidence and ask for further evidence if required. If you misrepresent or fail to disclose any material fact, the Care Act 2014 gives us the power to recover as a debt, expenditure incurred as a result of the misrepresentation or failure and any sum it would have recovered but for the misrepresentation or failure.

You (or your representative) will be considered to have refused to cooperate with a financial assessment if, without good cause, you fail to participate in the assessment process within the stated time scale. This includes:

- not submitting the form and required evidence within 28 calendar days of the start of care, unless you have contacted us to explain why you will not be able to meet this deadline and an extension has been agreed.

- not providing satisfactory proof of income, capital, expenditure or other information following requests from us.

In either of these circumstances, you will be treated as a self-funder (see [section 1.5](#)) and be required to pay the full cost of your care.

1.15 Changes of circumstances

You must report any changes in your financial circumstances straightaway as it might affect the amount you are charged. This may be due to:

- changes in income
- changes to your capital
- changes in membership of your household
- moving or a change your usual accommodation

Any backdating of charges will be from the start of the change or the beginning of the financial year, whichever is the shorter. Any refund due to a change in circumstances will be from the date the notification of change was given.

A re-assessment may be necessary for any one of the following reasons:

- you have notified us of a change to your circumstances
- a permanent change occurs to the service you receive (lasts more than 21 days)
- you request a re-assessment
- the annual financial assessment review which is carried out automatically every April
- an error or omission in the financial assessment
- an appeal to the Waiver Panel is upheld (see [section 4.3](#))
- a decision made by the Financial Resolution Group

You should thoroughly check your April review statement every year to ensure that we have all the correct information and notify us of any changes.

If you need to amend any of the information on your financial assessment due to changes in circumstances, or provide any evidence, you can notify us using our “contact us” service at [Contact Us](#) or by email or in writing, detailing the change.

Where you have a change in service, for example moved from community services to residential care, or a change in financial circumstances, we will need to know. If you have completed and submitted a financial assessment application in the last 24 months then we are likely not to ask for a new form to be submitted, but we will require updated information/evidence, to calculate the revised/updated financial assessment contribution.

1.16 Failure to pay and recovery of debts

The Care Act 2014 provides a statutory framework for the recovery of any debts that may have accrued as a result of us meeting your needs for care and support. Sections 69 and 70 of the Act allow us to recover monies not only from yourself but also from a third party where you may have transferred assets to them in order to avoid paying your assessed charges.

We are aware that there could be several different reasons why you may not have paid your assessed charges. We therefore bear in mind the principles that underpin debt recovery as set out in Annex D of the statutory guidance as follows:

- possible debts must be discussed with the person or their representative

- we must act reasonably
- arrangements for debt repayments should be agreed between the relevant parties
- repayments must be affordable
- court action should only be considered after all other reasonable avenues have been exhausted

Your social care practitioner will discuss with you the reasons for the non-payment of your debt and, where it is appropriate to recover the debt, will discuss with you the options available to you in an attempt to reach an agreement as how you may be able to discharge your debt. We will consider the whole range of options available with you and will also offer you the option of a deferred payment agreement, if you are eligible. Where you may have difficulties in understanding the options available to you, we may consider the use of an advocate to help you understand the options.

Where you lack capacity to make decisions, we will engage with any representative already appointed or look at whether someone, for instance a family member, or as a last resort the council, should be appointed to manage your finances to ensure that debt will not continue to build up. Where all other options have been exhausted, we may wish to proceed to recover the debt through the court.

2. Charging for residential services

2.1 Residential charges

Under this policy, the cost of a care home includes the care and support provided and the accommodation and living costs in the care home.

For charging purposes, there are two types of care home stays:

- temporary — where there is an intention to return home and the stay is unlikely to exceed 52 weeks or in exceptional circumstances substantially exceed 52 weeks
- permanent

Your length of stay may change depending on circumstances. Any decision to treat you as a temporary resident must be agreed with you, any representative and us and written into your care plan. If you stay in a care home for longer than 28 calendar days, either in one stay or in multiple stays with less than 28 calendar days between the end of a stay and the start of the next stay, you should contact the DWP as this may affect some of your benefits.

When being financially assessed for a temporary stay, the value of your main or only home is not included in the calculations as you intend to return to that home. Your income and earnings will be treated in the same way as for permanent residents, but you will be allowed additional expenses to maintain your home during your stay. Such expenses may include, but are not limited to, mortgage or rent, service charges, water rates and building insurance premiums. These will be proportioned as for any other expenses if a partner/spouse remains at the property (see [section 1.9](#)). Any other capital assets will be treated in the same way as for permanent residents (see [section 2.3](#)).

If you are in a registered nursing home, the NHS will contribute towards the cost of your care. You will still pay for other accommodation charges, and this will be worked out in the normal way through your financial assessment. If you receive free nursing care, it will not affect how much you pay towards your care.

Dependent on the arrangements in place it may be the care home or the council collecting your assessed charge and any third-party top-up that is in place.

Where the care home is collecting on our behalf, we will pay the remaining cost of your care directly to the care home. Where we are collecting the assessed charge directly from you, we will pay the care home the full care fee.

In the circumstance where your financial assessment has not been completed within 28 calendar days we may pay the full cost of your care to the care home temporarily, or complete an interim assessment, and when you receive your financial assessment, your charges will be backdated to the start of your care and an invoice raised. If the delay is due to you not submitting your financial assessment application or not providing the required evidence without good reason you will be treated as a self-funder and be required to pay the full cost of your care directly to the care home at their rates (see [section 1.5](#) and [section 1.14](#)).

2.2 Choice of accommodation

We will discuss with you as part of your care planning, accommodation that will meet your assessed eligible need. You will be allocated a personal budget that sets out the cost to us of meeting your care needs. We will ensure that at least one option is available to you that is affordable within your personal budget.

Where you have been assessed as requiring a certain type of accommodation (care home, supported living and shared lives accommodation) you have the right to exercise choice between providers in certain circumstances. This includes anyone who is receiving after care services under the Mental Health Act 1983.

We will, however, only arrange care in your preferred accommodation if:

- your support plan specifies that your needs are going to be met by the accommodation of a specified type and your accommodation is of that same type
- your preferred accommodation is suitable to meet your needs
- the preferred accommodation is available
- where the accommodation is not provided by us, the provider of the accommodation agrees to provide the accommodation on our terms
- meeting that choice would not cost us more than the amount specified in your personal budget

If the home you would prefer costs more than we would expect to pay, we may still provide your choice of accommodation if a "top-up" can be made by either a third party such as a family member or by yourself in limited circumstances (see [section 2.2.1](#)).

If you have not expressed any preference and there is no suitable accommodation within our expected costs (your personal budget), we will arrange accommodation in a more expensive home by increasing your personal budget. You will not be asked to pay more.

2.2.1 Top-ups

On a three yearly basis, we publish the rates that we expect to pay for placements. This is known as our "expected costs". If you (or your representative) choose a care home that charges above our expected costs, then a top-up may be payable. This is the difference between our expected costs and the actual cost of the home. In most cases the payer of the top-up will be a third party such as a family member. You will therefore often hear the term "third party" top-up.

In some circumstances, you may be able to pay the top-up yourself known as a "first party" top-up, for example:

- if/while your property is subject to a 12-week disregard (see [section 2.3.1](#))
- you have entered into a deferred payment agreement (see [section 2.5](#))
- Where you are receiving accommodated care under S117 of the Mental Health Act

We will need to be satisfied that the person paying the top-up is able and willing to pay it for the duration of time it is expected that you will be in the accommodation.

Charging of the top-up will start on the first day of care. Due to the phased implementation to the council collecting residential charges, the top up may be collected by the home on our behalf or directly by us. Your social care practitioner will advise of the arrangements, and they will arrange for a top up agreement to be signed.

Homes are not allowed to charge more than the price stated in their Schedule of Charges which forms part of their contract with us. Your social care practitioner will explain the amount of any top-up to you (or your representative) or to your third party. You or your third party will be asked to enter into an agreement with us and/or the provider to pay the amount of the top-up prior to placement or within 5 working days of an emergency admission.

As the homes are not allowed to charge more than the price stated in their Schedule of Charges, you should not be asked to pay any more than has been agreed. If you are approached by your provider and asked to make increased payments, please contact your social care

practitioner immediately. In certain circumstances, your social care practitioner will work with you to negotiate a lower third-party top-up or for the third-party top-up to be waived.

The amount of the top-up is fixed for the duration of the contract with the care home, unless there is a significant change to the care package which requires a different type of accommodation. We will write to the person paying the top-up to inform them of any change to the amount they have to pay.

It is therefore important that the individual paying the top-up fully understands the implications of this choice and they are aware they will need to meet the additional cost of accommodation for the full duration of your stay in the care home. Should this cost not be met, you may be moved to an alternative room in the care home or an alternative care home following a review of your needs. The individual paying the top-up may want to seek independent financial and/or legal advice before entering into the Agreement.

If you do not have anybody willing and able to pay a top-up then we will support, you to find suitable alternative accommodation within our expected costs and your personal budget.

2.3 Property

If you are moving into a care home on a permanent basis, the value of your home will be taken into account, unless any of the following apply at the time you are moving into permanent care:

- your husband, wife, partner or former partner continues to live there, except where they were estranged since before you went into a care home.
- a relative aged 60 or over continues to live there.
- a lone parent who is the person's estranged or divorced partner continues to live there.
- a relative under 60 who is incapacitated, receives certain disability allowances continues to live there.
- a child under 18 for whom you are financially responsible continues to live there.

In most cases it will be obvious whether the property is occupied by a qualifying relative as their main or only home. However, there will be some cases where this may not be clear, and we will therefore undertake relevant enquiries to reach a decision.

Circumstances where it may be unclear might include:

- where a relative must live elsewhere for purposes of their employment but the property remains their main or only home e.g. member of the armed forces or diplomatic service
- where a relative is serving a prison sentence but the property is their main or only home and they intend to return to it at the end of their sentence

Property example 1

Your son is over 60 and lives in Kent. You live in Lincolnshire; in the house he grew up in. He occasionally comes to help you and stays with you during these periods. Although he is a qualifying relative, your home is not his main or only home.

Therefore, the value of your property will be included as part of your financial assessment for a care home.

Example adapted from the Care Act 2014

Property example 2

Your daughter is 60 and has been living overseas for the past 10 years due to her job in the diplomatic service. When she is in England, she lives with you in the family home she grew up in. Although your daughter is not physically present at the property, her alternative accommodation is only due to her employment, so the family home is her main home.

Therefore, the value of your property is likely to be disregarded during your financial assessment for a care home.

Example adapted from the Care Act 2014

2.3.1 12-week property disregard

If you currently own your own property and have less than £23,250 in savings, you may be eligible for a 12-week property disregard, which will be determined at financial assessment. This means the value of your main or only property will be disregarded from the financial assessment for a maximum of 12 weeks. The 12-week period usually starts from the date you move into a permanent residential or nursing home. The purpose of the 12-week disregard is to allow you space to make decisions as to how to meet your charge towards the cost of any eligible care. This time can also be used to decide if you wish to join the deferred payments scheme through a deferred payment agreement (see [section 2.5](#)) or self-fund your care.

You may not be eligible for the 12-week property disregard facility if you did not live in your property prior to going into long term care, are a previous self-funder or been in receipt of fully funded health care or hold assets that take you over the £23,250 threshold such as additional property or land.

You will also be entitled to a 12-week property disregard when a property disregard (other than the 12-week disregard) unexpectedly ends because, for example, a "qualifying relative" occupying the property has died or moved into a care home. These unexpected events would mean that the individual may need space to sort out their financial situation. We can also consider exercising discretion to apply a 12-week disregard where there is a sudden and unexpected change in your circumstances. We will want to discuss with you the individual circumstances of your case.

There are certain circumstances where other disregards may apply, please see [Care and Support Statutory Guidance](#).

2.4 Personal Expense Allowance

Before any charges are made towards your care home, we need to ensure you are left with a minimum amount of income. This is known as the Personal Expense Allowance (PEA) and is set nationally each year by the Department of Health and Social Care and is reproduced in our Annual Statement of Charge. This is to ensure that you have money to spend as you wish on personal items such as clothes and other items that are not part of your care from your income.

If your affairs are managed by an appointee, attorney or deputy, it is their responsibility to ensure that you receive your PEA from your income.

If you have no income, we are not responsible for providing one; however, we will support you to access any relevant state benefits or independent advocacy.

We have discretion to increase your personal allowance where it would not be appropriate for us to leave you with only the personal allowance after charges.

2.5 Deferred Payments

The deferred payment agreement (DPA) is a scheme to ensure should you not wish to do so; you do not have to sell your home during your lifetime to fund the cost of your care in a care home. Subject to meeting the eligibility criteria, the agreement offers you a loan from us, using your home as security. It is a deferred payment because the monies you are required to pay for your care (full cost) are deferred, or the costs of full care and support where the individual is a self-funder and has requested a loan meaning that these amounts will have to be repaid by you to us at a later date, for example when the house is sold, or by your estate upon you passing away. Your debt to us is simply deferred and is not "written off". Interest and administration charges will be applied to deferred payments (see [section 2.5.4](#)).

2.5.1 Types of deferred payment agreement

There are two types of deferred payment agreement, see the table below reference:

1. Traditional DPA — this is used where we have arranged the care and pay the care home directly and deferral amount accrues at our rates.
2. Loan DPA — this is used where you have made your own care arrangements and contract directly with the provider. The council loans you the cost of the care in instalments less any contributions you contribute from other sources; this is usually a rate you agree with the home.

Traditional DPA	Loan DPA
<ul style="list-style-type: none">- LCC contracts on customer's behalf and pays the home the LCC contracted rate. Person may be eligible for 12-week property disregard period.- Person pays a financially assessed contribution toward their care.- If person chooses to rent out property, the income will be considered in the financial assessment.- Person is entitled to a Disposable Income Allowance to help toward cost of maintaining and insuring home.- First / Third Party Top Ups can be added to the deferred amount.- LCC commence payment to provider at the beginning of the DPA request and legal charge process.	<ul style="list-style-type: none">- Person/representative contracts directly with the provider.- The amount loaned is the cost of the care home's private rate.- There is no 12-week property disregard period.- Person does not pay a financially assessed contribution unless they choose to do so. They can use rent / income to reduce the accruing debt.- Person is not entitled to Disposable Income Allowance. Maintenance and insurance of home is at their own expense.- First or Third-Party Top Up do not apply. LCC commence payment after date legal charge is secured.

In both cases you must ensure that your home is insured and maintained.

2.5.2 Eligibility for a deferred payment agreement

For you to be able to apply for either type of deferred payment, you need to meet the following criteria and procedural requirements:

- You must be ordinarily resident in Lincolnshire.
- Your property will be valued using an online valuation website. However, if you prefer for a formal valuation, we can arrange this for you and pass on any associated costs, or you may wish to organise the formal valuation. When the loan to equity value reaches 70%, we will write out to you to make you aware.
- When the loan to equity value reaches 80% a new formal valuation will be required, again we can arrange this for you and pass on any associated costs, or you can supply this yourself.
- You must have been assessed by Adult Care as needing a permanent stay in a care home to meet your needs or where you are arranging your own care and we have not undertaken an assessment, this condition is satisfied when you would be assessed as having eligible needs had we carried out such an assessment.
- You do not have any other assets or savings over £23,250, apart from the value of your main or only home — this figure may change annually in April.
- Your home is not disregarded for the purposes of the financial assessment for example it is not occupied by a spouse or dependent relative.
- You must agree to us placing a legal charge on the property.
- You must sign any associated deferred payment documentation.
- All co-owners will be required to sign the deferred payment agreement and the necessary documentation to secure the charge with the Land Registry; the DPA will only apply to your share of the property.
- There can be no other beneficial interests on the property, for example outstanding mortgages, loans or equity release schemes, unless this is approved by us prior to entering the agreement.
- Any rental agreement should be prior approved by the us and should be a short hold tenancy agreement.
- Any rental income will be included in the financial assessment reducing the amount deferred.

There may be circumstances where we may use our discretion to offer a Deferred Payment where not all the usual criteria are met:

- If you are narrowly not entitled to a deferred payment agreement, for example because you have slightly more than the £23,250 asset threshold, you own your property and you are likely to meet the criteria in the near future.
- Where an alternative form of security may be obtained, for example a solicitor undertaking.

Valuing and Assessing a Capital Asset

The value and treatment of capital assets are set out in the regulations and in Annex B of the Care and Support Statutory Guidance.

If the capital asset is a property, it will be valued in accordance with its current market value at the time of the persons assessment. If there is dispute about the market value, the council must obtain an independent valuation or make a referral to the Valuation Office Agency. Valuation Office Agency - GOV.UK ([Welcome to GOV.UK](https://www.gov.uk)), the cost of which is your responsibility.

If the capital asset is jointly owned, the beneficial owner is treated as owning an equal share unless evidence is provided to prove otherwise.

There may be circumstances where we refuse to offer a deferred payment even if you meet the eligibility criteria for example, if we cannot secure a first charge on your property, where there is insufficient equity or where you do not agree to the terms and conditions of the agreement. We are unable to offer a deferred payment on Park & Mobile homes. The discretion to refuse is intended to provide us with a reasonable safeguard against default or non-repayment of debt.

There may also be circumstances in which we can refuse to defer or loan any more charges for example, if you breach your agreement, your house subsequently becomes disregarded, or you have reached the equity limit we are allowed to defer.

The equity limit must be set at the value of the property minus 10%, minus £14,250 (the lower capital limit in force from time to time) and the amount of any charge or mortgage on the property.

You will be financially assessed to pay a contribution which will reduce the deferred amount.

You have a right to retain a disposable income allowance which will help with maintenance and insurance of the property and is instead of Personal Expenses Allowance. This can be up to a maximum of £144 per week for your former home related financial commitments, however you can choose to retain less allowing you to contribute more to your care and consequently reducing the amount accruing as your deferred debt. How much you decide up to the value of £144 is entirely your choice.

A deferred payment can be terminated in 3 ways:

- by you repaying the full amount due
- when the property is sold, and we have been repaid in full
- on your death whereby the full amount is repaid from your estate

2.5.3 Financial representatives and deferred payment agreements

If you are acting as a financial deputy, have an Enduring Power of Attorney or have a Lasting Power of Attorney for property and finances you can enter into the deferred payment agreement on behalf of the person receiving care. If you were granted a Lasting Power of Attorney (LPA) for finance or an Enduring Power of Attorney before the person receiving care lost capacity and this has been registered with the Office of the Public Guardian, you will be able to sign on their behalf. This will be the case provided the documents can be signed by at least one other person, either in their capacity as joint proprietor of the property or as a fellow attorney of the Lasting Power of Attorney who is able to act independently. Where this is not the case another individual may need to be appointed to act for the purpose of the deferred payment agreement.

Where the individual has already lost capacity to manage their financial affairs and there is no one who has the legal authority to deal with their property and affairs, it is expected that a relative or solicitor will apply to the Court of Protection to become their financial deputy. This will give the applicant the power to deal with their property and affairs and to make decisions as to whether to enter into a deferred payment agreement on their behalf.

For loan DPA to commence, legal authority must already be in place, whilst an attorney's application is with the court, they will not be granted a deferred payment agreement on behalf of the person receiving care. For traditional DPA, we will fund care on behalf of the individual receiving it during this time.

Where it is considered that any deputy or attorney is not acting in the best interests of the individual receiving care, a referral will be made to our safeguarding team. This may result in an

Office of the Public Guardian investigation and the removal of the deputy's authority to act on their behalf.

2.5.4 Interest and administration charges on deferred payments

The Care Act 2014 permits us to charge interest on a compound basis for the duration of the deferred payment agreement. This applies to both types of deferred payment agreement.

The maximum rate will be subject to review and may change every year biannually on the 1st January and the 1st July in accordance with the rates set by the Office of Budget Responsibility.

We will charge an administration fee, along with legal disbursements, such as Land Registry fees. The Annual Statement of Charge – Annex D details the interest and fees.

If you decide to go ahead with the deferred payment agreement, Legal Services Lincolnshire will write to you separately to confirm the disbursement charges before you enter into the agreement.

3. Charging for Community Services

3.1 Property

Your own home, the primary home that you live in, is not taken into account during the financial assessment if you are receiving community services. However, any other land/property you own will be included as capital (see [section 1.7](#)), or if you have moved in with family, supported living or sheltered accommodation and own a property, this will be included in capital for your financial assessment where the move is deemed as a permanent arrangement.

3.2 Minimum Income Guarantee (MIG)

Before any charges are made for your care package in the community, we need to ensure that your income is not reduced below a specified level, so you are able to keep enough of your income for your essential living costs such as food, utility costs and home buildings insurance. This amount is set and reviewed annually in Local Authority Circulars by the Department of Health and Social Care; it is also reproduced in our Annual Statement of Charges. This amount is known as the Minimum Income Guarantee (MIG), and varies depending on your age, disability, relationship status and how many dependent children you have living with you.

In addition to the Minimum Income Guarantee, further allowance will be made for other expenses such as:

- rent not covered by housing benefit such as ground rent/site fees
- Council Tax not covered by Council Tax Reduction
- mortgages and endowments
- service charges not covered by housing benefit

3.3 Household costs/bills

You will be asked about where you live and your regular housing costs. These include:

- rent — not met by housing benefit and under a formal tenancy agreement
- mortgage — not met by DWP loan
- service charges — not covered by housing benefit
- Council Tax — not met by Council Tax Benefit
- buildings insurance

You should also tell us about any other regular expenses, not including utilities or groceries, but should include compulsory payments, for example court ordered payments.

If you have less than £14,250 in savings and investments, and your weekly income is less than the Minimum Income Guarantee (MIG) for your age group, you will not have to pay towards the cost of your care service in the community, unless your circumstances change.

3.4 Disability related expenditure (DRE)

(Annex C of the Care and Support Statutory Guidance)

[Care and support statutory guidance - GOV.UK](#)

If you receive community care and have extra costs due to a disability or medical condition, we will consider these when assessing what you can afford to pay. Your social care practitioner will discuss your Disability Related Expenditure with you when assessing your adult care needs. Where disability-related benefits are taken into account, the council will allow you to keep enough of your income to pay for necessary disability-related expenditure to meet any needs not being met by the local authority. These costs must be reasonable and directly related to your disability or medical condition. To simplify this, we use a banding system and automatically apply a weekly allowance based on the disability benefits you receive. Higher benefit rates usually mean higher living costs. If you believe your DRE is higher than your allocated allowance, please speak to your social care practitioner or email: financialassessment@lincolnshire.gov.uk or contact us at: [Contact Us](#)

When assessing disability-related expenditure, we should consider the following. However, it should also be noted that this list is not intended to be exhaustive, and any reasonable additional costs directly related to a person's disability or medical condition would be considered:

- (a) payment for any community alarm system
- (b) costs of any privately arranged care services required, including respite care
- (c) costs of any specialist items needed to meet your disability needs, for example:
 - (i) Day or night care which is not being arranged by the us.
 - (ii) specialist washing powders or laundry.
 - (iii) additional costs of special dietary need due to illness or disability (you may be asked for permission to approach their GP in cases of doubt).
 - (iv) special clothing or footwear, for example, where this needs to be specially made; or additional wear and tear to clothing and footwear caused by disability.
 - (v) additional costs of bedding, for example, because of incontinence.
 - (vi) any heating costs, or metered costs of water, above the average levels for the area and housing type.
 - (vii) occasioned by age, medical condition or disability.
 - (viii) reasonable costs of basic garden maintenance, cleaning, or domestic help, if necessitated by your disability and not met by another household member, family, friend or your care plan.
 - (ix) purchase, maintenance, and repair of disability-related equipment, including equipment or transport needed to enter or remain in work; this may include IT costs, where necessitated by the disability; reasonable hire costs of equipment may be included, if due to waiting for supply of equipment from the local council.
 - (x) personal assistance costs, including any household or other necessary costs arising for you.
 - (xi) internet access may be included if you are blind or partially sighted.
 - (xii) other transport costs necessitated by illness or disability, including costs of transport to day centres, over and above the mobility component of DLA or PIP, if in payment and available for these costs. In some cases, it may be reasonable for a us not to take account of claimed transport costs – if, for example, a suitable, cheaper form of transport, for example, council-provided transport to day

centres is available, but has not been used or your journey is at a regular cost with no additional expense due to disability or illness.

- (xiii) in other cases, it may be reasonable for a us not to allow for items where a reasonable alternative is available at lesser cost. For example, the private purchase cost of continence pads, where these are available from the NHS.

DRE Band	Benefits claimed	DRE Allowance
Band 1	Low-rate Disability Living Allowance (DLA) Care Component	£13
Band 2	Middle rate DLA Care Component, Personal Independence Payment (PIP), Standard Rate Daily Living Component, low-rate Attendance Allowance (AA)	£18
Band 3	High-rate DLA Care Component, PIP, Enhanced Rate Daily Living Component, High rate AA	£29

The table above shows the banded DRE rates that we disregard from your income when assessing what you can afford to pay for your care.

If you claim receipted DRE, you will be required to provide receipts/evidence to show that your expenses are over and above your banded allowance. If the outcome shows that you have incurred more or less expenditure than the banded allowance, we will calculate your DRE allowance based on your actual expenditure instead of the banded allowance. This may result in your DRE allowance being more or less than awarded through the banded system. If you have already had a DRE assessment and provided receipts, you should continue to retain receipts/invoices/evidence in case at any time your assessment requires a review.

To help you decide if it would be beneficial to request a DRE review, here are some examples of what may and may not be considered reasonable DRE

DRE would typically include:

- An expense which is a necessary need specifically related to your disability or medical condition.
- Reasonable costs for help or support to enable you to live independently.

DRE is unlikely to include:

- An expense incurred due to lifestyle choices not related to your disability or medical condition.
- An expense that can be provided at a lower cost or for free by another agency, but this will be considered in context and not necessarily determinative

DRE cannot include:

- An expense being met by the LA as part of a person's Personal Budget or by other LA directorates.
- An expense being met by the NHS. Examples - chiropody, physiotherapy, nutritional supplements, some items of equipment and travel to medical appointments

In looking at your disability related expenditure, we will be flexible. We will consider whether the costs arise out of your disability or medical condition so are disability related, whether the

costs are necessary and reasonably incurred, whether they are relevant and are proportionate overall. We will work with you to understand how your disability or medical condition impacts on your daily living to ensure we remain person centred when interpreting the guidance. In so doing we will ensure that you are not discriminated against because of your disability.

Further examples of DRE - You can find a more detailed breakdown of potential DRE expenditure in Lincolnshire County Council's Adult Care Annual Statement of Charges (Annex D of this policy)

3.5 Short term breaks or respite care

If you wish to take a short-term break from your usual care services, the charge you will have to pay for the respite services will depend on the type of care you will be receiving during this time.

If you take respite in a community setting your charge will be calculated using the charging rules which apply when accessing services in the community.

If you take respite in a residential setting, you will be charged as if you were a temporary resident (see [section 2.1](#))

3.6 Collection of Payment

Charges will be collected, or become payable, every four weeks, according to our 'regular billing schedules'. Therefore, your first payment will be collected at the next scheduled billing date and may be a part-payment or more than four weeks payment. At the start and end of care, you will be charged in full week blocks, but this will never be more than the actual cost of care for that week. You can pay your charge by direct debit, Allpay payment card, cheque or by phone with the [Credit Control](#) team.

3.7 Direct Payments

Direct Payments can be requested to meet some or all your eligible care and support needs. Direct Payments give you more choice and control in choosing your care and support. You can use the money to employ somebody yourself (an individual personal assistant) or choose the services of an agency/business. Link to the Direct Payment Policy: [Direct payments policy - Lincolnshire county council](#)

3.7.1 Who can receive Direct Payments?

You may be able to receive Direct Payments if you have been assessed as having eligible care and support needs and:

- have a physical disability or sensory impairment
- have a learning disability
- have mental health problems
- have a long-term illness
- need help because of the effects of growing older

3.7.2 What can Direct Payments be used for?

Direct Payments can be used for things that have been agreed as meeting your needs and achieving the outcomes in your care a support plan:

- employing your own staff/personal assistant
- buying a service from an organisation that provides a specialist service

- buying a service from a private care agency
- buying short term breaks or respite care, limited to four consecutive weeks in any 12-month period (periods less than 4 weeks apart will be combined)
- small adaptations to your property (over £1,000)
- all or a mixture of the above

Your social care practitioner will be able to discuss your direct payment in more detail with you.

Direct Payments cannot be used to:

- purchase social care service that is already managed by us on your behalf
- purchase anything that does not achieve the outcomes set out in your care and support plan
- purchase support that presents an unacceptable risk to you or others
- purchase unlawful actions or activities
- purchase of services from a close relative living in the same household to provide care “without prior approval that we consider it necessary to do so”
- purchase of services from a close relative living in the same household to provide for administrative and management support without prior approval that we consider it necessary to do so.”

Your social care practitioner will be able to discuss the expectations of your direct payment in more detail with you.

3.7.3 How do Direct Payments work?

There are a number of ways that you can receive and manage your direct payment. It is your choice as to how you are supported with the payment:

- a prepaid card — a virtual bank account with a debit card set up in your name by us
- a bank account— you will need to open a bank account in your name and manage the direct payment yourself
- managed account— a third party who manages your personal budget on your behalf

If you are unable or do not wish to manage your direct payment account yourself then you can nominate a person to do this for you. Where you lack capacity to manage the account then your legal representative can manage your account on your behalf. For both options we will need to be satisfied that the authorised person will act in your best interests in arranging for the provision of the care and support for which the direct payments would be used and paying for your care. Your social care practitioner will be able to provide further information regarding this.

Whichever method you choose, Direct Payments will usually be paid into that account every four weeks, in advance. Charges for your care that you are responsible for, will need to be paid into your Direct Payment account by you. Having a separate account for Direct Payments means you can pay for all your support needs from one account without us having to see your own personal bank account statements.

DP Example 1:

Your Personal Budget is £5200 for the year - that is £100 per week. Your charge has been assessed as £40 per week.

Your Direct Payment from us will be:

$£100 - £40 = £60$ per week

$£60 \times 4 = £240$ every 4 weeks

We will pay £240 into your account every 4 weeks. You then pay your charge of £40 a week (£160 every 4 weeks) into the account giving you the full £100 per week (£400 every 4 weeks) to pay your care provider directly.

DP Example 2:

Your Personal Budget is £5200 for the year - that is £100 per week. Your charge has been assessed as £40 per week.

You have chosen to split your Personal Budget in half, so you pay for day care directly and have us manage your home care.

Your Direct Payment from us will be:

$£50 - £40 = £10$ per week

We will also pay your home care provider **£50** directly. This means we pay **£60** per week in total and you pay **£40** per week.

You can choose to manage all or just some of your care by direct payments with the remainder being provided through us. This means that you pay for some services directly, for example day care at a centre, and we manage the payments to other services, for example your home care provider. In this case, your Direct Payment part will be paid net of your full charges where possible.

Before Direct Payments can start you will need to sign the Direct Payment Agreement, which details your assessed contribution towards your care, and return it to us with the relevant documents. You will also be required to retain all expenditure records with regards to your direct payments for the annual audit of the account (examples of records are timesheets, receipts, invoices, bank statement etc.) as this is a legal requirement. If at any time you Direct Payment does not meet your need, you will need to contact your social care practitioner for a review of service and costs.

Your direct payment can be suspended or taken away if:

- after speaking with you it is found it is being misused
- we believe you are no longer able to manage it
- you do not keep to the terms of the agreement
- you do not respond to communications from us in a timely manner
- you fail to pay your contribution towards your care and support
- if any safeguarding concerns are raised which could be affected by the provision of a direct payment

Any misused or unspent monies will need to be returned to us.

3.8 Cancellation of services

If your community care is arranged by us and you need to cancel one or more care visits, you should call our [brokerage team](#) giving 72 hours' (three working days) notice where possible.

We appreciate this is not always possible but please give as much notice as you can in order that the carer can be notified. 72 hours' notice will not be necessary in an emergency.

If you can give 72 hours' notice, this will count as a cancelled visit for the purpose of calculating any refund due (see [section 3.9](#)).

If your care is not organised by us, you will need to contact the provider directly to cancel the services, but you will also need to contact the [Adult Care Finance Team](#) once the cancellation has been confirmed so your charges can be amended.

3.9 Refunds

If you have cancelled any community visits as above or your care provider has missed calls, you can ask for your charges to be reviewed to check if you are due a refund. If a review is asked for, it will take place at the end of your Personal Budget Year, so that the cost of your care for the whole year can be taken into account.

When this review takes place, the cost of your care for the whole year will be compared to the total annual amount that you have paid. A refund is only due if you have paid more than the total cost of the services you have received.

Refund example 1:

Your Personal Budget is £5200 for the year - that is at £100 per week. Your charge has been assessed as £40 per week.

You are going away for 2 weeks and give the required 72 hours' notice (£200)

You ask for a review at the end of the year.

Total charge paid £40 x 52 = £2080

Full cost of care for the year £5200 - £200 = £5000

You may expect to get a refund of £40 x 2 = £80, but no refund is due as the total cost of care for the year is more than you have paid for the year.

Refund example 2:

Your Personal Budget is £5200 for the year - that is at £100 per week.
Your charge has been assessed as £90 per week.
There are 3 times in the year when you cancel your care for 2 weeks for various reasons and give the required 72 hours' notice (£600).

You ask for a review at the end of the year.

Total charge paid $£90 \times 52 = £4680$

Full cost of care for the year $£5200 - £600 = £4600$

Refund due = £80

You may expect to get a refund of $£90 \times 6 = £540$, but the refund due is £80; the amount you paid over and above the total cost of care for the year. This is because you have been assessed as being able to afford £4680 a year, and we are obliged to pay the difference between what you can afford and the total cost of your care for the year.

The Income Collection Team monitors payments regularly. If you pay 100% of your care or your care has permanently ended, you may have a credit building up. In this case, you will automatically receive a refund.

4. Further Information

4.1 Advice about benefits

As part of the financial assessment process and where applicable, we will provide you with advice regarding benefit entitlement by way of signposting to relevant agencies and services. You can also access advice from voluntary organisations, such as the [Citizens Advice Bureau](#) and [Connect to Support](#).

Our website lists several agencies and contacts for advice and support: [Paying for care – Lincolnshire County Council](#)

It is your responsibility, not ours, to progress any benefit claim and supply appropriate information to relevant agencies and services. If you choose not to claim any benefits for which you have been advised you are entitled, the amounts calculated may still be included in your financial assessment as though you were receiving them. This could increase the charge you are required to pay, so we strongly advise you to claim all benefits you are entitled to.

4.2 Financial and legal information and advice

We provide universal information and advice on our website, in the additional information section in this policy and in our discussions with you relating to care and support and general advice about how care can be financed in accordance with our duty outlined in section 4 of the Care Act 2014. Paying for care, and in particular, a care home can however be a complex matter, particularly if you are funding your own care. Whilst we cannot provide individual financial advice directly, we do recommend that you consider seeking independent financial advice as early as possible. We will assist you to understand how to access independent financial advice. We recommend that you check that any financial advisor you may choose to use is registered with the Financial Conduct Authority (FCA). You may also wish to take legal advice from a solicitor to assist you with any proposed arrangements. Should you wish to do take financial and/or legal advice, the following links might be helpful: [Find 27,000 IFAs, Financial Advisers, Mortgage Brokers, Accountants & Bookkeepers | Unbiased](#) and [Find a Solicitor - The Law Society](#)

4.3 Appeals or complaints

If you feel you have been assessed as being able to pay more for your care than you feel you can afford, you must raise this at the earliest opportunity. If you have an allocated social care practitioner, you can raise your concerns with them or you can contact the financial assessment officer by email: financialassessment@lincolnshire.gov.uk

Where assessed charges may lead to difficulties in paying for your care, you may request a review of your financial assessment. This will involve us asking for further detailed financial information. In reviewing the assessment, we must be satisfied that your means are insufficient to pay the assessed charge.

If your means are insufficient, we will review your circumstances and consider if a temporary or ongoing Waiver for all or part of your care fees is appropriate. You will need to provide a full breakdown of your household income and outgoings to facilitate this application.

Examples of when it may be appropriate to consider a waiver:

- If the charge remains in force, you will require the care to be reduced or withdrawn, which could be life threatening to you.

- You have exceptionally high financial outgoings (after the application of your financial assessment) which are judged to be essential to you remaining in the community.
- You have dependents who have no financial resources in their own right and are therefore dependent upon you.
- If the support is refused it will place you at significant risk of self-harm or harm to others.
- Where you have unavoidable unique circumstances that have not been considered when applying the Care Act framework of charging for care and without review, would lead to you experiencing financial hardship.

If you would like further details or wish to be considered for a waiver, please contact 01522 552634 to request a copy of the Adult Charging Waiver Policy for non-residential services. Your case will be considered by the Independent Waiver meeting and dealt with according to the terms of the Waiver Policy.

If you are still not satisfied with the outcome of the assessment, you can make a complaint via our complaints procedure by contacting [Customer Relations](#)

Complaints about the level of charge levied by us are subject to the usual Care and Support complaints procedure as set out in The Local Authority Social Services and NHS Complaints (England) Regulations 2009.

4.4 How your personal data is used

We will use information about you to process your financial assessment. As well as the information provided by you, we may also collect relevant information from your local district council, the Department for Work and Pensions and Her Majesty's Revenue and Customs.

Your information is only shared with third parties where necessary and where the law allows it, specifically your information may be shared with partners in order to provide public services. We are under a duty to protect public funds and may use any of the information provided for the prevention and detection of fraud. This may also include sharing information with other bodies that are responsible for auditing or administering public funds.

We will retain your information in line with our retention schedule and ensure that your information is kept only for as long as necessary. To find out more information on how your data is processed and your rights, please see our privacy notice which can be made available on request or viewed at: [Adult care services privacy notice – Lincolnshire County Council](#)

4.5 Further advice

Further information about charging and general information about all adult social care services, in the form of factsheets, are available from [Customer Service Centre](#) and from libraries and other outlets across Lincolnshire.

4.6 Our contact details

Team	Contact details
Adult Care and Community Wellbeing Customer Service Centre	Phone: 01522 782155 Email: customerservices@lincolnshire.gov.uk Website: Adult social care – Lincolnshire County Council
Adult Care Financial Assessments Team	Contact us: Contact Us Email: financialassessment@lincolnshire.gov.uk Website: Paying for care – Lincolnshire County Council
Brokerage Team	Email: brokerage@lincolnshire.gov.uk
Credit Control Team	Email: credit.control@lincolnshire.gov.uk
Lincolnshire Carers Service	Phone: 01522 782224 Website: Online, Phone & In Person Support for Unpaid Carers - Lincolnshire Carers First
Customer Relations Team	Email: CustomerRelationsTeam@lincolnshire.gov.uk

4.7 Useful sources of information

Useful sources of information can be found on our website:

[Paying for care – Lincolnshire County Council](#)

Appendix 1 — Common sources of income

Sources of income which are included when calculating your charges include but are not limited to:

- State Retirement Pension
- Guarantee Credit element of Pension Credit
- Income Support
- Employment and Support Allowance
- Job Seekers Allowance
- Severe Disablement Allowance (SDA)
- Universal Credit
- Attendance Allowance (AA) for community care only
- Personal Independence Payments (PIP) standard rate
- Disability Living Allowance (DLA) care component
- regular income from investments
- any other regular income e.g. rent from property or lodgers
- occupational pensions and Private Pension Annuities due, even if unclaimed (while you are in a care home you may elect to pass 50% of this element of your income to your spouse/partner remaining at home)
- insurance policies paying out
- annuity income (unless purchased with a loan secured on your home)

Sources of income and benefits which are not included as income when calculating your charges include but are not limited to:

- all income derived from paid employment, including self-employment
- Child Tax Credit
- Child Benefit
- Housing Benefits
- Council Tax Support
- DWP Christmas bonus payments
- Social Fund payments
- DWP Winter Fuel Payments
- Savings Credit element of Pension Credit (only partially disregarded for residential care, disregard amount set annually by Department of Health and Social Care)
- Personal Independence Payments (PIP) daily living element; enhanced minus standard rate
- the mobility component of Disability Living Allowance
- the night care element of Attendance Allowance or Disability Living Allowance
- Independent Living Fund payments
- mortgage protection policies paying out
- War Pension
- ex gratia payments made to former Far East Prisoners of War
- payments made under the Vaccine Damage Payment scheme
- Guaranteed Income Payments (GIPs) made under the Armed Forces Compensation Scheme (AFCS)
- the first £10 of Survivors Guaranteed Income Payments (GIPs) made under the Armed Forces Compensation Scheme (AFCS)
- all charitable income

Appendix 2 — Required evidence checklist

Please supply copies of documentary evidence to support your application for funding.

This list is not exhaustive and not all may be relevant to you. Please tick as applicable.

Do not send original documents as we are unable to return them.

Section(s)	WHERE YOU LIVE / OTHER PROPERTY	✓
2 & 3	<ul style="list-style-type: none"> Property deeds (for <i>residential care</i> assessments and only if not registered with Land Registry) Equity release statement Trust document Completion statement for sale of previous property Property valuation Secured loan / equity release / mortgage statement. Rental/tenancy agreement 	<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
CAPITAL:		
4	<ul style="list-style-type: none"> Shares, investment certificates and capital trust documentation Bond statement(s) showing if there is life assurance attached. Bank statements for all accounts including post office pension accounts and accounts with no balance: - <ul style="list-style-type: none"> If <u>previously self-funded</u> then statements are needed for the whole period of care plus 1 month prior to start of care / admission to care home, otherwise: <ul style="list-style-type: none"> <u>Residential care</u> – required for the 1 month prior to first admission to the care home. <u>Home / Day care</u> - required for the 1 month immediately prior to care start date. Business - Document showing your financial interest 	<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
INCOME:		
5	<ul style="list-style-type: none"> Letter from the Veteran's Agency showing payment due. Latest annuity / pension statement(s) Pension deferment confirmation letter(s)/Pension Pot(s)/Future Pension Statement(s) Documentation to show the source, frequency and amount paid for all income 	<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
EXPENSES:		
6	<ul style="list-style-type: none"> Council tax statement Council tax assistance award letter and breakdown Breakdown of service charges Housing benefit award letter and breakdown Endowment / life assurance documents to show period covered and premium Home insurance policy document - please note we will assume the policy is a combined buildings/contents against the property you own and are currently living in unless evidenced otherwise. We can only consider buildings insurance. 	<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
7	<ul style="list-style-type: none"> Care home invoices for the period prior to the request for funding 	<input type="checkbox"/>
REPRESENTATIVE:		
9	<ul style="list-style-type: none"> Full copy of Power of Attorney for property & financial affairs Full copy of Deputy / Court of Protection document 	<input type="checkbox"/>
		<input type="checkbox"/>
DECLARATION:		
11	<ul style="list-style-type: none"> Please ensure this has been signed by the applicant, POA, COP Deputy or DWP Appointee 	<input type="checkbox"/>

Appendix 3 — Glossary

	Annuity	A pension annuity is a financial product that you can buy when you retire, and it pays you a guaranteed income either for a fixed period or for the rest of our life.
AFCS	Armed Forces Compensation Scheme	A compensation scheme for individuals who were injured or became ill as a result of service in the Armed Forces after 6 April 2005. For more information, please visit: Armed Forces Compensation Scheme (AFCS) - GOV.UK
AFIP	Armed Forces Independence Payment	An additional benefit to provide financial support to service and ex-service personnel following a serious injury during service after 2005. Eligibility is dependent on other awards made under the AFCS.
	Asset	Something you own that has a monetary value; for example, a property, land, business, work of art, vehicles.
AA	Attendance Allowance	A benefit you can get to help with extra costs if you are over State Pension age and you have a mental or physical disability that is severe enough for you to need help caring for yourself. For further information, please visit: Attendance Allowance: Overview - GOV.UK
	Capital	A financial resource such as money held in an account or invested in business, stocks, shares, bonds, trust funds or national savings certificates.
	Community Care	Care received outside of a residential care home such as a carer supporting you in your own home and community day services.
DPA	Deferred Payment Agreement	A deferred payment agreement can be requested when you enter residential care but don't have any savings to use towards the cost of your care but you own an asset, such as a house, that means you are assessed as a self-funder. If you do not wish to sell the house straight away, we can lend you the cost of your care against your house. The money will need to be repaid to us in full when the house is sold or from your estate on your passing. For more information, please refer to section 2.5 .
DWP	Department of Work and Pensions	The government department responsible for pensions, child maintenance policy and welfare benefits.

	DWP Appointee	<p>One individual e.g. friend/relative or an organisation e.g. solicitor/local council, can apply to deal with the benefits of someone who cannot manage their own due to being severely disabled or mentally incapable.</p> <p>For more information please visit: Become an appointee for someone claiming benefits - GOV.UK</p>
	Deputy	<p>One or more individuals can apply to make personal welfare and/or property and financial decisions for someone who lacks the mental capacity to make the decisions themselves.</p> <p>For more information, please visit: Deputies: make decisions for someone who lacks capacity: Overview - GOV.UK</p>
	Direct Payment	<p>You can choose to have some or all of the money we contribute towards your care costs paid directly to you so you can choose your own care providers and pay them directly.</p> <p>For more information, please refer to section 3.7.</p>
DLA	Disability Living Allowance	<p>A benefit to help with either your personal care, this is known as DLA Care Component or to help you move around outdoors, this is known as the DLA Mobility Component. This benefit has been replaced by PIP and AA but if you were already on DLA, there are circumstances where you may continue to receive it instead of PIP or AA.</p> <p>For further information, please visit: Disability Living Allowance (DLA) for adults: Overview - GOV.UK</p>
DRE	Disability Related Expenses	<p>These are any extra costs you have to pay as a result of your disability or illness. They will be taken into account when assessing how much you can afford to pay towards the cost of your community care. We will estimate how much these are based on the benefits you receive, but if you feel your expenses are significantly different to this amount, you can request a reassessment and provide receipts and invoices showing all of your extra costs.</p> <p>For further information, please refer to section 3.4.</p>
	Disregard	<p>Means the amount is ignored and not used when calculating how much you can afford to pay towards your care costs.</p>
	Equity Release	<p>This is a way of taking money from the capital tied up in a house you own. It can be taken as a lump sum or as several smaller amounts.</p>
	Expected Costs	<p>The amount we expect to pay for care placements.</p>

FSA	Financial Conduct Authority	An organisation that regulates the financial services industry in the UK to protect customers and keep the industry stable. It keeps a list of approved individuals and businesses that provide financial services such as Financial Advisors and has advise on its website about a range of subjects such as making a complain about a financial service.
	Full Cost	This is where the level of your income means you can afford to pay for the full cost of your care at our agreed rates. It also applies if we have temporarily supported your placement while waiting for a financial assessment, and the assessment shows you exceed the limit during that arrangement.
	Gifting	When you give away money or an asset to a relative, friend or charity. For your financial assessment, we will need to know about all gifts made, even if they are below the government's limit for tax purposes.
GIPs	Guaranteed Income Payments	A monthly benefit provided by the AFCS for ex-service personnel with the most serious injuries or illnesses. Eligibility and amount is based on the type and seriousness of the injury.
ISF	Individual Service Fund	This is when you choose a third-party provider to manage your personal budget for you and arrange services on your behalf. You get more choice of services with an ISF than if we manage your personal budget.
ISA	Individual Savings Account	An account that allows you to hold cash, shares and unit trusts without having to pay tax on the interest, dividends or capital gains made on them. Any letter or statement you receive from your bank or building society will show the name of the account which will tell you if it is an ISA.
LPA	Lasting Power of Attorney	A legal document that allows you to appoint one or more people to help you make decisions or make decisions on your behalf about your health and welfare and/or your property and financial affairs. You must be over 18 with mental capacity to make an LPA. For more information, please visit: Make, register or end a lasting power of attorney: Overview - GOV.UK
	Life Assured	A type of cover that will pay out whenever the policyholder dies, it is often applied to bonds, and it is important you inform us if you have any life assured products as it can affect how we calculate your care charge.

MIG	Minimum Income Guarantee	This is the minimum amount of money you must be left with on a weekly basis, after you have paid your charge towards the cost of your community care. The amount is set annually by the government and is for you to spend on living costs such as clothing, utilities and food.
	National Savings Certificate	A method of saving money through the government owned savings company: NS&I. For more information please visit: ILSC Calculator NS&I or call 0808 500 7007.
	Personal Budget	This is the annual amount it would cost for LCC to arrange and meet the eligible care outcomes described in your care package.
PEA	Personal Expense Allowance	This is the minimum amount of money you must be left with on a weekly basis, after you have paid your charge towards the cost of your residential care. The amount is set annually by the government and is for you to spend as you wish on items such as personal toiletries, treats and small gifts for friends or relatives.
PIP	Personal Independence Payments	A benefit to help with extra costs if you are aged 16 to State Pension age and have a disability or long-term ill-health. For further information, please visit: Personal Independence Payment (PIP): What PIP is for - GOV.UK
	Premium Bonds	An investment product through the government owned savings company: NS&I; where you are entered into monthly prize draws. For more information please visit: National Savings & Investments 100% Secure Saving NS&I
	Residential Care	This is where you live in a residential care home rather than your own home. This could be on a: short term basis: stay up to 8 weeks temporary basis: stay up to 52 weeks (or not significantly longer than 52 weeks). permanent basis: stay over 52 weeks or where you are not expected to return home.
	Savings Bonds	A savings product available from banks and building societies where you put an amount of money away for a set period of time and earn interest.

	Section 117 aftercare	Free help and support provided in the community following a hospitalisation under section 3, 37, 45a, 47, or 48 of the Mental Health Act to meet a need that arises from your mental health detention and to reduce the risk of your mental condition getting worse. If you are unsure whether you are eligible for this, check the paperwork you receive from your doctor/hospital which should state which section you were hospitalised under. For more information visit: Explaining your rights to section 117 aftercare Mind
	Self-Funding	Is where you have capital over the Department of Health upper threshold of £23,250 and therefore you are not eligible for any financial assistance toward the cost of your care. You will be responsible for all your care fees at your chosen provider's private rate.
	Shares	A way of investing money where you buy a small portion of a company. You can earn money if the company grows and your shares become worth more or by receiving a share of their profits each year (known as a dividend) depending on the type of company and share. However, you can also lose money if the company isn't doing well.
	Sole owner	This means you are the only person named on the account or asset.
	Stocks	Stock is a generic term used to describe investment in multiple shares of one or more companies.
	Trusts/Trust fund	A legal arrangement where a third-party controls money, property or other assets on behalf of named beneficiaries.
WPS	War Pension Scheme	A compensation scheme for individuals who were injured or became ill as a result of service in the Armed Forces before 6 April 2005. For more information, please visit: War Pension Scheme (WPS) - GOV.UK
	We/us/our	Terms used to refer to Lincolnshire County Council.
	You	Term used to refer to the person receiving care and support services through us.

Lincolnshire County Council

Adult Care Annual Statement

Appendix D Adult Care Charging Policy

1st April 2026

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1. Introduction

This statement sets out the main rates/fees/allowances that may be applied by Lincolnshire County Council for non-residential and residential care services to adults in receipt of such services.

Your expenditure will be treated differently during the financial assessment depending on the type of care you are receiving:

- Non-Residential - your household costs and disability related expenditure (DRE) will be taken into account – See Section 3 for more detail about banded/receipted DRE.
- temporary residential care – see section 1.3, these expenses are to help maintain your home throughout your stay in addition to a personal expenditure allowance.
- permanent residential care - you will be left with a minimum amount of income known as personal expenditure allowance.
- An allowance of up to £5,000 will be made for funeral expenses, if evidence of a purchased plan or bond, is provided.

1.1 Chargeable Services

Chargeable services are those set out in the Council's revised Adult Care Charging Policy which is valid from 1st April 2026

The charges detailed in this annual statement come into effect as listed below.

- Residential – 13th April 2026
- Non-Residential 18th April 2026

1.2 Capital limits and maximum/minimum charges

The higher capital limit is the maximum amount of funds that can be held in assets/cash, above this it is considered that care will be self-funded.

Capital Limits: From 1st April 2026

Lower limit - £14,250.00

Higher limit - £23,250.00

Assumed Income from Capital – £1 per week, for every £250, or part thereof, between £14,250 and £23,250

Personal Expenditure Allowance - £31.80 per week.

Maximum weekly charge – There is no maximum charge. A full financial assessment will be carried out to calculate the contribution due to be made by the person using the services.

1.3 Temporary Care – Allowable Expenses

Where a person is in Temporary care and lives alone a weekly allowance of £58 is given to help towards costs that a person may still incur whilst away from their main residence, this is £29 where their partner remains at home.

This is a nominal allowance to assist with Council Tax, Personal alarm (Lifeline), water, and utilities. However, if it is felt costs are higher evidence of these costs will need to be provided, and a decision made by the Care Manager.

2. Rates Non-Residential/Residential

2.1 Non-Residential

Paid to providers with effect from 1 April 2026:

Community Based Settings	2026/27
Hourly Rate Home Support Urban Fringe	£26.15
Hourly Rate Home Support Rural Villages	£27.85
Hourly Rate Home Support Isolated	£31.29
Hourly Rate Extra Care	£23.32
Community Supported Living – Shared Hourly Rate	£23.18
Community Supported Living – Floating Hourly Rate	£23.84
Night-time Sleep in	£114.39
Minimum assessed level for Charges to Apply (Weekly)	£2.00
Maximum Weekly Charge	Full Package Cost
Personal Budget Cost Applied	100%
Shared Lives – Band 1	£345.25
Shared Lives – Band 2	£390.89
Shared Lives – Band 3	£461.42
Shared Lives – Management Fee	£151.38

Day care Services	2026/27
Day Services Rate 1 Ceiling Rate (Per Day)	£82.98
Day Services Rate 2 Ceiling Rate (Per Day)	£61.03
Day Services 1-1 hours Ceiling rate (Per Hour)	£15.86
Block Respite – Cedar House (Per night)	£211.18
Block Respite - Cedar House (1-1 Hours)	£18.82
Block Respite – Swallow Lodge (Per night)	£244.71
Block Respite - Swallow Lodge (1-1 Hours)	£16.81

2.2 Expenses as per NAFAO Disability Related Expenditure guide for 2026/27

Mortgage payments/Rent - allow full amount less any means tested benefit paid.

Council Tax - allow full amount less any Local Council Tax reduction applied

2.2.1 Non-Residential Package set up fee

Where assets are over the higher capital limit, but you wish for the LA to arrange and manage the Non-Residential care package there is one-off set up fee of £445.

2.2.2 Non-Residential Client Contribution Hourly Rate

For the purposes of the financial assessment the hourly rate of **£19.11** will be used to calculate contribution to homecare from **18th April 2026**.

2.3 Residential Rates

Rates Paid to providers with effect from 1 April 2026

Residential Rates	2026/27
Older People Standard Residential	£767
Older People – Higher Dependency	£848
Older People – Nursing	£849
Mental Health – Residential	£794
Mental Health – Nursing	£843
Physical Disability	£988

Learning Disabilities Residential Rates paid to providers with effect from 1 April 2026

Band 3

Unit	Number of beds	Rate
Standard	13 or more	£1,319
Smaller	7 to 12 beds	£1,382
Smallest	1 to 6 beds	£1,445

Band 2

Unit	Number of beds	Rate
Standard	13 or more	£1,041
Smaller	7 to 12 beds	£1,104
Smallest	1 to 6 beds	£1,168

Band 1

Unit	Number of beds	Rate
Standard	13 or more	£899
Smaller	7 to 12 beds	£962
Smallest	1 to 6 beds	£1,025

Residential 1:1 hours - £16.81per hour.

3. Disability Related Expenditure (DRE) – Non-Residential Only

If a person receives community care and incurs additional expenses because of their disability or medical condition, this can be included when assessing what can be afforded to pay towards the cost of care.

The additional expense would need to be related to the disability and exceed the cost a person without a disability or medical condition would have to pay for the same item or service.

As part of the needs assessment the social care practitioner will discuss with you what expenditure is incurred and can assist you in deciding if any of your expenditure is likely to be considered disability related.

The social care practitioner will also explain Lincolnshire County Council’s banded allowance for DRE. There may be instances where a person feels their expenses are higher than the banded allowance and they may wish to request the receipted disability related expenditure route.

Further information about banded and receipted disability expenditure can be found below in sections 3.1 and 3.2.

3.1 Banded Disability Related Expenditure

Lincolnshire County Council operates a banded DRE system where a person can be allocated a weekly allowance dependent on the benefits, they can claim due to their disability, as shown below:

DRE Banding	Benefits claimed	DRE
Level 1	Low-Rate Disability Living Allowance (DLA) care component	£13
Level 2	Middle rate DLA care component; Standard Rate Personal Independence Payment (PIP) Daily Living component; Low-rate Attendance Allowance (AA)	£18
Level 3	High-rate DLA care component; Enhanced Rate PIP Daily Living component; High-rate AA	£29

If a person disagrees with the DRE band, they can request an assessment of their individual circumstances, asking for receipted disability expenditure to be considered. However, this may not change the outcome of the disability related expenditure calculation.

3.2 Receipted Disability Related Expenditure

If a person feels their expenses relating to their disability are higher than the banded allowance, they can discuss this with their social care practitioner or contact financialassessment@lincolnshire.gov.uk

Please refer to section 3.4 to 3.21 onwards for details of how this will be assessed, this is not an exhaustive list but details the main areas of expenditure. Receipts may be requested for expenses if they are considered over and above the usual costs.

Please note that if the newly assessed rate is lower than the original band, we will be unable to change you to a banded DRE at this point.

If a person has already had a DRE assessment and provided receipts, they should continue to retain receipts/invoices in case at any time their assessment requires a review.

3.3 Evidence for receipted DRE

The council may require evidence for material amounts being claimed in the form of receipts/invoices. Please keep any receipts/invoices for a period of 3 months in case they are requested.

Items list below in section 3.4 to 3.21 are a guide to what items may be considered DRE. Figures are based on practice guidance issued by the National Association of Financial Assessment Officers (NAFAO) and locally evidenced charges for certain services provided by companies here in Lincolnshire i.e. Anglian Water.

The difference in the amounts spent by disabled people because of their disability is wide. Therefore, the following amounts are for guidance only.

3.4 Extra Costs of Heating

In cases where people’s heating costs are above the average levels for the area and housing type due to age, medical condition or disability the additional heating costs may be allowed. This will be calculated based on the services which provide the source of heat to the person who uses non-residential services, e.g., gas, electric, oil, etc.

3.4.1 Annual Average Heating Costs (Based on average dual fuel bill)

Annual inflationary update based on RPI Fuel index for November 2025. At this date fuel prices (coal solid fuels, gas, electricity and oil and other fuels) had **increased by 2.6%** in the last 12 months.

The figures are obtained from [Consumer price inflation tables - Office for National Statistics](#) from the download "consumer price inflation detailed reference tables". The figures are found in Table 28 detailed reference tables - % change over 12 months.

Source: National Assessment of Financial Assessment Officers (NAFAO) DRE 26/27 (N East/East Midlands)

Single Person	Annual Average	Average Per Week
Flat/Terraced House	£2,196.68	(£42.24)
Semi-Detached	£2,333.18	(£44.87)
Detached	£2,836.73	(£54.55)
Couple	Annual Average	Average Per Week
Flat/Terraced House	£2,895.21	(£55.68)
Semi-Detached	£3,072.58	(£59.09)
Detached	£3,740.17	(£71.93)

3.5 Metered Water

Excess costs due to disability may be allowed based on the costs of similar properties and considering any disabled-related equipment that might result in additional use of water. The amount allowed will be based on costs incurred over and above average usage. If the user receives their water from a supplier other than those listed, then the overall average usage should be used as a basis for the allowable water costs.

Annual Average Water Usage Calculator – Based on information provided by Anglian Water in March 2026

Number of Occupants	Average Annual Cost	Weekly Cost
1 person	£548	£10.54
2 people	£754	£14.50
3 people	£984	£18.92
4 people	£1,162	£22.35
5 people or more	£1,353	£26.02

3.6 Equipment

These allowances are recommended by National Association of Financial Assessment Officers and uplifted by 3.8% aligned to the LAC. If a person submits evidence that equipment costs more than the figures below, then the higher amount should be allowed. If the users' equipment costs less, then the actual cost should be used.

Equipment	Cost per Week
Wheelchair manual	Cost divided by 500 (10yr life) up to £5.26 per week
Wheelchair powered	Cost divided by 500 (10yr life) up to £12.78 per week (this includes electric scooters and buggies)
Powered Bed	Cost divided by 500 (10yr life) up to £5.81 per week
Turning Bed	Cost divided by 500 (10yr life) up to £10.17 per week
Powered reclining chair	Cost divided by 500 (10yr life) up to £4.61 per week
Stair-lift	Cost divided by 500 (10yr life) up to £8.21 per week
Hoist	Cost divided by 500 (10yr life) up to £4.04 per week

The cost of any other Equipment needed because of a disability would be divided over the life of the equipment in the same way as the equipment listed above, this could include specialist communications equipment such as computer and telephone items. Evidence of purchase will be required (without Disabled Facilities Grants or other funding) where appropriate.

The amount quoted for stair lifts is likely to cover only a straightforward installation. If the stair lift installed takes into account corners in a staircase, then the installation cost is likely to be more than the amount given here.

Maintenance and repair contracts for disabled-related equipment will be included. Receipts will be needed. For non-planned repairs, the person should tell Social Services and ask for the cost be distributed over a year and their assessment changed for the next twelve months.

Insurance on essential aids such as stair lifts is allowed based on actual costs if evidence is provided up to a maximum of **£8.68** per week. However, if the person wishes to claim more than this, evidence will be required, and it will be for the officer to complete the form to decide if this is reasonable in liaison with the appropriate manager.

3.6.1 Adaptations

Minor adaptations will ordinarily be covered by the Integrated Community Equipment Service and so this should be checked before expenditure on this type of work is allowed.

If users require adaptations to their home which fall outside the scope of the Integrated Community Equipment Service, then they would usually be referred to the District Council for consideration for a Disabled Facilities Grant to fund the work required.

If, however, the user has paid for the work or part of the work themselves then it will depend on their circumstances as to how this can be considered.

If they have paid for the work out of their own capital, then the cost will ordinarily have already been allowed as part of the assessment of capital. In this case there is no need to consider the costs incurred within disability-related expenditure as well.

If the person has taken out a loan for the work, then the loan repayments should be considered as a regular weekly amount within the disability related expenditure part of the financial assessment.

3.7 Garden Maintenance, Cleaning and Domestic Help

Reasonable costs of basic garden maintenance, cleaning or domestic help or privately arranged care may be allowed if it is needed due to the person's disability and not met by Adult Social Care.

3.7.1 Garden Maintenance

Based on actual costs of garden maintenance. Evidence of expenditure will be required in all circumstances.

3.7.2 Cleaning and Domestic Help

Based on actual costs where this is not provided as part of the care plan. Evidence of expenditure will be required in all circumstances.

3.8 Privately Arranged Care

Reasonable costs may be allowed. Reasonable, would take account of the capacity of the user, the circumstances and health of others living in the household, and the availability of voluntary help. Any employment should be valid under UK employment and tax law, and the employee should have the right to work in the UK.

Costs relating to Personal Assistants can be considered. They would include any household or other necessary costs arising for the user.

3.9 Laundry and Incontinence

3.9.1 Laundry

There is a need to reflect on the costs incurred when large amounts of washing are required due to disability. The costs allowed will be on a sliding scale as follows:

Number of Loads	Allowance
5 to 7	£5.19
8 to 14	£10.38
15+	£15.57

Consideration can also be given where a person does not have access to a washing machine and is not able to access a launderette and therefore requires a laundry service. If specialist washing powders need to be used due to a disability the difference in costs will be included in allowances.

3.9.2 Incontinence

The cost of Incontinence aids is allowed under the scheme. Receipts/evidence may be required.

3.10 Holidays

Actual additional cost is more than normal costs for a similar holiday divided by 52; Note that an allowance of 2 weeks per 12-month period. The normal cost would need to be identified and deducted from the total cost to highlight the extra cost element.

Evidence of actual cost for comparison purposes is needed to show what extra price has been levied against the normal cost of a holiday, i.e., cost of hiring equipment and supplement costs for specific accommodation necessary because of the individual's disability.

3.11 Prescription Charges

An allowance of the actual costs incurred to a maximum of the cost of a Pre-payment NHS Prescription Charge Certificate (Season Ticket) or annual cost of prescriptions if less. However, many people are in receipt of exemptions due to their age or disability.

3.12 Night Support

If a person is receiving higher Attendance Allowance or Disabled Living Allowance/Personal Independence Payment and the cost of any night-time care exceeds these allowances the excess costs may be claimed as Disability-related expenditure.

3.13 Transport

If DLA/PIP mobility is in payment, costs of transport can only be considered if they exceed the amount of the mobility component. Where DLA/PIP mobility is not paid and costs are greater than average, costs may be allowed. An example is where the cost of a taxi journey is £5.00 but the taxi company charge £8.00 for the provision of taxis with wheelchair access. The extra £3.00 will be considered where there is evidence in the Care Plan of the need for specialist transport and confirmation from the transport provider that extra costs have been levied and for what purpose.

Receipts/evidence may be requested and without evidence it may not be possible to include additional expenditure.

3.14 Dietary

This can be considered when it can be demonstrated the person has to purchase specific food etc. linked to a medical condition which costs more than the average. In terms of expenditure only the difference in cost can be considered. Receipts/evidence will be required in all circumstances.

Adult Social Care may seek permission to approach a GP, to confirm medical needs.

3.15 Clothing and Footwear

An allowance should be made for clothing or footwear that is specially made, or where additional wear and tear occurs, due to disability as referenced in the care plan. Any allowance depends on individual needs, relating to the extra cost, i.e., where specialist footwear needs to be purchased. Receipts/evidence will be required to determine the amount.

3.16 Chiropody

Reasonable costs for a chiropodist will be allowed where a person is unable to manage their own nail care, where evidence is provided actual costs will be allowed.

3.17 Communication Costs

These are discretionary, based on costs that would not normally be paid, so evidence of any extra expenditure would need to be provided.

3.18 Furniture and Fixtures

Where additional wear and tear occurs due to disability it is reasonable to allow for the actual expenditure incurred. Receipts/evidence will be required in all circumstances and liaison with the appropriate manager.

3.19 Community Alarm

To be based on actual costs

3.20 Window Cleaner

The maximum amount will usually be **£4.53**. If the person wishes to claim more than this, evidence will be required, and it will be for the officer completing the form to decide if this is reasonable in liaison with the appropriate manager.

3.21 Other Costs

The above is not an exhaustive list of disability-related costs. The guidance stipulates that 'weight should be given to the user's perception of needs and costs related to disability' and 'any additional expenses claimed in relation to a person's disability should be considered'.

4. Other Fees & Charges for 2026/27

Please see listed below charges that will be applied by Lincolnshire County Council for services.

4.1 Monitoring costs for Telecare

For anyone who meets the Adult Care eligibility criteria for Adult Care the charge is £1.50 per week.

4.2 Locally determined charges – charges to other Local Authorities

Charges to Other LA'S	Amount
Day Centre's	£81.50
Assessments completed on behalf of another LA	£306.21

4.3 Deferred charges in relation to property/land assessed debts and Interest Charges

Interest Charges on Property/Land Assessed Debts/Set up Fee for Deferred Payments	Interest Rate/Fee
Lincolnshire County Council Standard Terms of Payments:	Base Interest Rate + 2%
Deferred Payments (Pre-Care Act) as of 1 st January 2025:	Base Interest Rate + 4%
*Deferred Payments (Post Care Act) Changes:	
1st January:	4.75%
1st July:	4.65%
Deferred Payment Set up Cost (not including disbursements i.e. land registry searches) breakdown as follows:	
Legal Set up:	£636
Administration Cost:	£157
	£793
Payments relating Health & Social Services & Social Security Adjudications Act - HASSASSA (pre-2011):	Base Interest Rate + 2%
Payments relating Health & Social Services & Social Security Adjudications Act - HASSASSA (Pre Care Act):	Base Interest Rate + 4%

*The interest rate for deferred payments is based on the cost of government borrowing. The regulations and statutory guidance set out the maximum interest rate chargeable, which is derived from the 15-year average gilt yield, as set out by the Office for Budget Responsibility (OBR) twice a year in their Economic and Fiscal Outlook report, to a 0.15% default component