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## **GUIDANCE NOTES**

### **1. Basis For The Calculation of The Charge**

- a) Local Authority must make a charge for its residential accommodation. This is in accordance with the Care Act 2015.
- b) Anyone may choose not to disclose his or her financial resources and refuse a financial assessment. People who make this choice must pay the full amount required for their accommodation.

### **2. Financial Assessment**

- a) When assessing the charge to be paid, income from all pensions, investments, property and other capital assets (see para. 3) held by or on behalf of the applicant must be taken into account. The value of any property owned will also be taken into account (see para. 4). All this information will be used to calculate the accommodation charge.
- b) It is important to note that the valuation of property includes an applicant's dwelling house provided the applicant and his or her spouse has ceased to live in it.
- c) Accommodation charges are payable from the date of admission.
- d) The contribution you are required to make is reviewed from time to time (usually to coincide with the annual increase in the Department for Work and Pensions benefit rates) and may result in a change in the amount you have to contribute. Should your income, capital or assets change it is important that you inform us as this may affect your contribution. If you receive Pension Credit, it is important that you inform the Department for Work and Pensions, as it may affect the level of Pension Credit you receive. The Department can be contacted on 0345 60 60 265.
- e) If we have calculated that you are eligible to claim Pension Credit, you must contact the Department for Work and Pensions to make a claim

### **3. Notional Weekly Return on Capital**

Although all capital resources must be taken into account, the actual income they produce is not used. Instead, the first £14,250 of the capital is ignored and it is assumed that the remainder produces a weekly income of £1.00 for every £250 up to a maximum of £23,250. If you have more than £23,250 in capital assets then you must pay the standard charge until your capital has reduced below £23,250.

#### **4. Ownership of Property**

If you require a deferred payment, please contact tel 0191 278 8247 for advice.

#### **5. Disposal of Assets**

No one may dispose of any asset with the intention of either securing Local Authority residential accommodation or paying less for it than they otherwise would. The value of the assets disposed of for these reasons may be included in the assessment of the accommodation charges and are recoverable.

#### **6. Periodic Reassessment of Charges**

The User's contribution is reviewed from time to time and may result in a change in the amount a user must pay if the total value of his or her resources have changed.

#### **7. Payment of Assessed Charge as a Condition of Residence**

It is a condition of admission that residents must agree to pay the assessed weekly charge from the date of admission.

#### **8. Method of Payment**

Payment for permanent and temporary residential care should be made by yourself or your nominated representative. Payment should be made either to the establishment you have chosen to reside in, or in the majority of cases an invoice will be issued on a monthly basis from Newcastle City Council. Please check with the care home to confirm how payment should be made.