

# Co-funding

Co-funding arrangements: contributing to the cost of your non-residential services

**2022/2023**



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## What is Co-funding?

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Co-funding is the term that Derbyshire County Council uses to describe the partnership approach we adopt to the funding of appropriate services to support you to remain at home.

This information leaflet explains in detail how the system of Co-funding works and how much you will be expected to contribute towards the cost of 'non-residential services'.

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## Which services does Co-funding apply to?

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Co-funding applies to 'non-residential' services. For example home care, day care and Direct Payments.

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## Are any services still provided free of charge?

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Clients who receive the following services will not be required to make a contribution, for as long as they receive them:

- Short term or interim services (usually a maximum of six weeks).
- Services funded by the NHS under the Continuing Health Care (CHC) provisions.
- After Care Services provided under Section 117 of the Mental Health Act.
- Services or a Direct Payment received following a Carers Assessment.
- Services received for Clients who are terminally ill.

You will continue to get small pieces of equipment free, such as toilet seat raisers, grab rails, perching stools, etc.

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## Who does Co-funding apply to?

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This policy applies to most clients receiving non-residential services who have capital of less than £50,000.

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## Does everyone have to make a contribution?

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We are looking at this as a financial partnership between the client and the council. We will only ask you to make a contribution from those non-means-tested benefits and allowances already paid for the provision of care, or where you have significant capital; we think this approach is fair for everyone.

By also not asking for a contribution from those clients on the lowest incomes we think that we are being fair and reasonable. As well as those clients on low income there are some groups of clients who, due to specific circumstances, will not be required to contribute:

- Clients with CJD.
- Clients under Section 117 of the Mental Health Act.
- Clients who are terminally ill.
- Services provided under a 'Carer Assessment'.
- Permanent care home residents accessing non-residential services who are already making a contribution under The Care and Support (Charging and Assessment of Resources) Regulations 2014.

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## How does Co-funding affect carers?

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The council realises the important contribution that carers make to supporting family and friends. It is with this in mind that where services are provided following a Carers Assessment the County Council has used its discretion and will not request a financial contribution from the carer.

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## What is a personal budget?

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A personal budget is an amount of money calculated as an annual amount to help support your social care. You can choose how to use your budget allocation to meet your particular needs and agreed identified outcomes. The allocation can be used for traditional services organised and supplied by the County Council or as a Direct Payment for clients to organise their own support.

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## What is an income maximisation?

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We want to ensure that you are receiving all the benefits and allowances that you are entitled to. The checking process will not be limited to those benefits in relation to Co-funding but will include a wide range of allowances including:

- Pension Credit and Income Support and Universal Credit
- Housing Benefit and Council Tax Support
- Attendance Allowance, Disability Living Allowance and Personal Independence Payments
- Tax Credits – Working and Child
- Grants e.g. Warm Front.

Everyone will be offered an income maximisation during the care needs/financial assessment process.

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## What if I do not claim the benefits you think I'm entitled to?

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As this is a partnership between you and the Council it is expected that you will claim any benefits or allowances that we identify you are entitled to. Support will be made available to help you make the appropriate applications for these benefits or allowances.

If you choose not to claim the benefits or allowances that may affect the level of your Co-funding contribution, we can still ask you to contribute as though you are receiving those benefits (as this is income available to you on application).

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## How is the contribution worked out?

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To work out what you will be asked to contribute we need to know what income and capital you have and details of any housing costs, such as council tax, rent or mortgage payments that are not already met by benefits. We need to know this information to ensure that we can accurately apply the rules we have to follow and make sure you do not pay more than you should.

The Council, in line with the rules we have to follow, will ensure that a person's income is not reduced below a minimum level after any contributions have been paid. This will be the equivalent of the basic level of Income Support or Pension Credit (Guarantee Element) plus a 25% buffer. This is known as the minimum income guarantee (MIG).

Where we are able to, or it is unclear what actual resources a client has, the Council will contact the Department for Work and Pensions (DWP) including Job Centre Plus, Disability Benefits Centres and Pension Services and any other organisations for confirmation.

We can do this in line with the data sharing agreements between the DWP, Local Authorities and County Councils, following the introduction of the Welfare Reform Act 2012.

We will usually contact you to undertake the financial assessment, verify your assets and answer any questions you may have. Assuming you are able to provide all the information needed, we will also be able to confirm what amount, if any, you are liable to contribute towards your care and support costs.

If you are liable to make a Co-funding contribution you will pay this based on the Attendance Allowance, Disability Living Allowance (Care Component) or Personal Independence Payment (Daily Living Component) you receive.

For 2022/23, your contribution will be capped at a maximum of **£46.38** which is calculated as 75% percent of either:

- lower rate Attendance Allowance
- middle rate Disability Living Allowance (Care Component), or
- standard rate Personal Independence Payment (Daily Living Component)

If you receive the higher rate of one of these benefits, your contribution will still be capped at £46.38 which means you will keep the remaining amount for any other care and support needs. If the actual cost of your care is higher than your assessed contribution, the council will pay the difference.

By only asking you to contribute from those non-means-tested allowances already made available to help meet your care and support needs, this Co-funding arrangement is a partnership which together means that we can continue to provide, maintain and develop services for vulnerable people in Derbyshire.

If you only receive the lowest rate of Disability Living Allowance (Care Component you will not be required to make any contribution towards the cost of your non-residential services).

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## What is income?

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Income covers any regular payments that you receive. These could be weekly, fortnightly, four-weekly, monthly, quarterly, half-year or annually.

We will convert all the amounts of income you receive into a total weekly figure. This is because we want to make sure you only pay if your income is above the amount where you have to contribute.

Examples of income that we include are:

- State Retirement Pension
- Occupational Pensions
- Attendance Allowance \*
- Disability Living Allowance (Care Component) \*
- Personal Independence Payment (Daily Living Component)
- All other regular income
- Tariff Income.

Examples of income that we do not include:

- Earnings from paid employment
- Disability Living Allowance (Mobility Component)
- Personal Independence Payment (Mobility Component)
- War Widows Special Payment and War Widows Pension
- Housing Benefit and Council Tax Support
- Working Tax Credit
- Savings Credit Element of Pension Credit
- Charitable Payments
- Any dependent children's income
- Child Tax Credit and Child Benefit
- Any payment received on behalf of a child e.g. child support
- Payments made by us as a Direct Payment.
- Some elements of Universal Credit may be disregarded

**\* So that it is clear that we are leaving you with more available additional income, when we work out your weekly income we will only add in the low rate of Attendance Allowance, middle rate of Disability Living Allowance (Care Component) or standard rate Personal Independence Payment, all currently paid at £61.85 per week, even if the higher rates of £92.40 are in payment. In this way, if you are in receipt of the higher rates, you will keep all of the £30.55 difference to help you meet any additional costs of help or expenses you may have because of your disability.**



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## What is capital?

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For the purpose of the Co-funding policy capital is:

- Money held in Bank and Building Societies both in UK and abroad
- Current value of Stocks and Shares (with reference to FTSE)
- Premium Bonds
- National Savings Certificates
- Other investments

If you own the property that you live in as your main residence, the value of that property is not counted as capital. However, any other properties or land that you own will be treated as a capital asset.

Therefore, if you own any other property that is not your main residence it is likely to mean that you will be liable to meet the full cost of your care and support services.

When we contact you, we will explain exactly what we do take into account and what we exclude, or you can contact Client Financial Services (their contact details are at the back of this booklet).

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## What is tariff income?

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Tariff Income is included in calculating your eligible income for Co-funding purposes, and represents the amount that a client with capital over a certain amount should be able to contribute towards their living costs

For every £500 over £14,250.00 capital held, £1 will be included as income. For instance, if you have between £14,250.01 and £14,750.00 we will add £1.00 to your weekly income. If you have between £16,750.01 and £17,250.00 we will add £6.00 to your weekly income and so on to £49,999.99.

Please note that this is not the interest earning capacity of that capital. Anyone with capital assets above £50,000 will not usually be eligible to financial assistance (see section headed "what if I have capital above £50,000" later in this leaflet).



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## What happens if I have dependent children living with me?

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If you have parental responsibility for a child who lives with you, we may be able to protect more of your weekly income. To make the additional allowances, all the following criteria must be met:

- The child is aged 18 or under\* and is either:
  - of pre-school age, or
  - in full time non advanced education (this does not include University education), or approved unwaged training
- The child lives in the same household as you
- You receives Child Benefit and /or Child Tax Credits for the child, or you are not in receipt of Child Benefit and/or Child Tax Credits as you have income above the upper earnings threshold but would be entitled to those benefits were your income was to reduce.

*Where the client requesting a Dependent Child Allowance satisfies the above points, but is not the recipient of the relevant qualifying benefits, but is the spouse, civil partner or unmarried partner (as defined for state benefit purposes) of the qualifying benefit recipient, the allowance will be given.*

\*The Local Authority will consider on an individual basis the continuation of a dependent child allowance when the child is over the age of 18 years where all the above points still apply.

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## What if I have housing costs

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If you have housing costs we may be able to reduce the amount you have to pay. These “unmet costs” could be rent or mortgage payments not covered by Housing Benefit or interest payments from the Department for Work and Pensions, or Council Tax not covered by Council Tax Support. It does not include non-commercial “sublet” tenancies or “board and lodgings” payments made to the tenant or owner of the property.

If you do have some unmet housing costs, it will not necessarily mean that the Co-funding contribution will be reduced as your income, net of your unmet housing costs, may still be above the level where a standard Co-funding contribution is payable.

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## How do you treat couples?

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The Council will allow each client receiving a personal care budget a capital disregard in their own right. Each capital disregard is based on the higher threshold set by the County Council rather than the minimum required under the guidance set out by the Department of Health and Social Care.

Each individual of a couple will be deemed to hold equal shares of capital held unless evidence can be provided to the contrary. Where a couple's income is received jointly, e.g. Employment Support Allowance or Universal Credit, each client will be deemed to have a right to 50% of that income for the purposes of determining the client's minimum income level.

Retirement Pensions, Work Pensions and other income that is paid to one of a couple as individual income will be treated as that person's income. Therefore, where the person receiving care is one of a couple, consideration of their minimum income guarantee is made by looking at the income they receive in their own right plus half of any joint income.

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## What is the most I will have to pay?

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The maximum contribution from April 2022 is 75% of low rate Attendance Allowance, middle rate Disability Living Allowance (Care Component) or standard rate Personal Independence Payment (Daily Living Component) which is a maximum amount of £46.38 per week even if you receive the higher rates. In a year you will not be asked to contribute more than the actual cost of the services you receive.

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## What is the simplest way to pay my contribution?

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As clients may receive their services from various providers or in differing ways, we need to have a straightforward and simple process to avoid confusion for you and service providers. Therefore, all contributions will be collected by the council, usually by direct debit. Direct debit payments are collected on a 4 weekly basis without the need to send cheques or make calls to pay, and customers are fully protected by the Direct Debit guarantee.



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## Do I pay my contribution even on weeks where I do not have any services?

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Yes, this is because your personal budget and contribution are both calculated on an annual basis. However, as benefits are set at a weekly rate and are usually paid 4 weekly, we will calculate your contribution as a weekly figure payable every 4 weeks.

The flexibility of personal budgets and how people use them to meet their outcomes also means that in some weeks people will decide to have more services and other weeks less. By having the contribution calculated annually but payable 4 weekly, the amount you contribute each week is clear even though your care may vary.

**You will continue to make payment of your Co-funding contribution during the first 4 weeks of any hospital admission whilst Attendance Allowance or Disability Living Allowance (Care Component) or Personal Independence Payment (Daily Living Component) remains in payment.**

If you access respite care in a registered care home setting you have to make a financial contribution towards the cost of this care. Therefore, you will not be asked to pay a Co-funding contribution for any nights that you spend in respite care. This will mean that you will only be asked to make your Co-funding contribution for the number of days you were at home during any week where you are in respite care.

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## What if I receive only one service?

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The assessed contribution requested is irrespective of the number and frequency of services you receive. In this way it is clear what contribution you will make. If, over time, the number or types of services you receive changes, your contribution will still be the same.

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## What happens if I do not receive my expected services?

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There will be various reasons why some weeks you do not receive your usual services. Sometimes this will be through your choice as to how your care is being delivered, other times it may be that due to bad weather or sickness your service cannot be delivered.

On these weeks you will still be asked to make your assessed contribution. This is because the contributions you make are towards your overall annual contribution. It should be noted that we will not ask you to contribute more than the cost of your annual personal budget.

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## What if I have capital above £50,000?

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In most cases if you have capital assets above £50,000 you will not currently be eligible to any financial assistance from the County Council. There are a small number of circumstances when even if you have above £50,000 you may still be eligible to financial assistance from the County Council. An example may be if you have a Personal Injury compensation award. If you are unsure, we will discuss this with you when we undertake your financial assessment.

If you are not eligible for financial assistance you will still be able to access our Universal Offers including a formal assessment of your care needs, help and support to identify appropriate care and support providers as well as access to various information, advice and signposting services. Your care coordinator can discuss all these options with you, or you can contact Call Derbyshire on 01629 533190 for more information.

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## What if I feel I cannot afford to pay the contribution?

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Before we ask you to make any contribution you will be offered an 'Income Maximisation' check. This will help to make sure that you are receiving all the benefits you are entitled and give you the advice and assistance to claim these.

Any contribution will be determined on your declaration of income and capital. We do realise there may be circumstances where some people may not be able to make the contribution requested either in the short or long term. We therefore have a "Financial Contribution Review Procedure" that allows us to review your circumstances.

The Council understands that some people with a disability may incur extra costs such as additional heating or more washing. The rules that we have to follow call this "Disability-Related Expenditure". These rules allow us to review your circumstances. For this review to be undertaken you will need to provide full information and evidence of your income, capital, and all disability-related expenditure you want us to take into account.

Consideration will be given to evidenced disability-related expenditure for services deemed necessary as a result of your disability or for health and safety reasons. The usual daily living expenses that everyone has to meet, or costs arising simply as a matter of personal choice, will not normally be allowed.

In undertaking a disability-related expenditure review, depending on the level of your income and capital, and the agreed additional disability costs, this may result in a full or partial reduction in the amount you are asked to pay. However, it could also result in no change in the amount due where your income, after taking account of your disability-related expenditure, is still above the level where the standard Co-funding contribution is payable.

Details of this policy can be obtained by contacting Client Financial Services Team, whose details can be found at the back of this booklet, or on the Council's website.

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## When will my contribution be reviewed?

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All contributions will be reviewed at least annually, usually in April each year when new rates of Attendance Allowance, Disability Living Allowance and Personal Independence Payment take effect.

If, however, you have any changes in your financial circumstances (this could be either an increase or decrease) you should immediately contact Client Financial Services for a reassessment as it may directly affect the amount you are asked to contribute.

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## What happens if I don't pay the contribution?

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Debt management is a crucial aspect of the county council's financial obligations in relation to the administration of public funds. The collection of contributions is vital to enable the Council to maintain and develop services for vulnerable people in Derbyshire.

The reasons that debts occur can be many and varied. The Council's Debt Management policy has been designed to support people who find themselves in financial difficulties through a supportive and incremental route which will take account of the person's circumstances.

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## What if I want to make a voluntary contribution towards my personal budget?

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We realise that there will be instances where a person's declaration would result in them not being formally required to make a contribution, despite having income considerably above the MIG, and where Attendance Allowance, Disability Living Allowance (Care Component or Personal Independence Payment (Daily Living Component) is being received. An example of this may be where someone has significant disregarded income.

We appreciate that some people in these circumstances feel that they would like to make a contribution to help the Council continue to support and develop services for vulnerable people.

To have a level of fairness the Council would not normally expect a voluntary contribution to exceed the standard contribution.

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## Can I give away my capital?

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The County Council cannot and would not wish to direct how you deal with your finances. However, we do have an obligation to the Council Tax payers of Derbyshire to ensure that clients with assets are not maintained at the public's expense.

Where we believe that capital and/or income has been given away in order to avoid making or reducing a Co-funding contribution we will treat you as still retaining that money and calculate your contribution accordingly.

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## What happens if I do not want to declare my benefits and capital?

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If you do not want to tell us your financial circumstances, then we will ask you to contribute the maximum under the Co-funding policy which is the full cost of the care and support you receive.

If you receive care from an independent care provider, you will be asked to make a private arrangement so that they can bill you directly for the services they provide.

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## Useful contacts

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### Derbyshire Client Financial Services

Tel: (01629) 532231

Email: [fairercontributions@derbyshire.gov.uk](mailto:fairercontributions@derbyshire.gov.uk)

Address: Client Financial Services, Corporate Services and Transformation, County Hall, Matlock, Derbyshire, DE4 3AG

### Derbyshire Welfare Rights Team

Tel: (01629) 531531

Email: [welfarebenefits@derbyshire.gov.uk](mailto:welfarebenefits@derbyshire.gov.uk)

Address: Adult Social Care and Health Department, Cemetery Lane, Ripley, Derbyshire, DE5 3HY

### Statutory and Legal Context

The Care and Support (Charging and Assessments of Resources) Regulations 2014.

### The National Fraud Initiative

This authority is under a duty to protect the public funds it administers, and to this end may use information you have provided to this authority for the prevention and detection of fraud. This authority may also share this information with other bodies responsible for auditing or administering public funds for these purposes.

For further information visit

[www.derbyshire.gov.uk/NationalFraudInitiativePrivacyNotice](http://www.derbyshire.gov.uk/NationalFraudInitiativePrivacyNotice)

or contact the Information Governance Manager, Adult Social Care, Derbyshire County Council, County Hall, Matlock DE4 3AG, email [asch.infogov@derbyshire.gov.uk](mailto:asch.infogov@derbyshire.gov.uk) or telephone (01629) 537247.

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## Further Information

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Derbyshire County Council Adult Care department produces a range of information about its services and those provided by other organisations in the community. We provide information leaflets on a range of topic that can be downloaded or ordered from our website at [www.derbyshire.gov.uk/careinfo](http://www.derbyshire.gov.uk/careinfo), obtained from our staff, at a local area office or library.

Leaflets available include:

- Guide to Adult Social Care - how we work and what we provide
- Guide to Carers Services - support, advice and information for carers
- Independent financial advice - how and where to find reliable professional advice
- Co-funding leaflet - paying for non-residential care
- Paying for Residential Care - how financial contributions are calculated
- Guide to First Contact - signposting to services and support
- Putting People First - comments, compliments and complaints

Leaflets are available in standard, large print and Easy Read versions and upon request in other formats such as Braille or alternate languages. We also have videos, including BSL conversions on our YouTube channel at [www.youtube.com/user/Derbyshireecc](https://www.youtube.com/user/Derbyshireecc) The Adult Care Information Promise, a FACT you can rely on. We promise to provide you with:



**Free** information  
**Accurate** information  
**Clear** information  
**Trustworthy** information

If you think we have broken our FACT promise, please let us know so we can make improvements.

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