

## FUNDING AND CHARGING RULES FOR PEOPLE ACCOMMODATED AND SUPPORTED IN LONG TERM ADULT PLACEMENTS - 2007

### INTRODUCTION

This note explains the way in which national benefits and charging rules apply to long term adult placements made under the Adult Placement Regulations 2004 (S.I.2071/2004) (the 2004 Regulations)

1. Adult placement is a service provided by individuals and families (Adult Placement (AP) Carers) in local communities and is distinguished by the following features:
  - Placements are made within Adult Placement (AP) Schemes that are regulated by the Adult Placement Regulations 2004 S.I. 2071/2004 . Such Schemes approve and train the AP Carers, receive referrals, match the needs of service users with AP Carers, and monitor the placements
  - People using adult placement services have the opportunity to be part of the AP Carer's family and social networks
  - AP Carers can use their family home as a resource
  - Placements provide committed and consistent relationships

AP Carers provide a range of services including:

- Long term accommodation and support
- Short breaks
- Day time support
- Rehabilitative or intermediate support
- Kinship support where the carer acts as 'extended family' to someone living in their own home

2. Regulation of adult placement

- Adult placements were unregulated until 1992.
- Registered Homes Amendment Act 1991 (implemented 1992): Introduced the requirement for AP Carers providing accommodation and personal care to be registered as 'small care homes'.
- Care Standards Act 2000 (implemented 2002): brought in a new regulatory approach in which AP carers providing accommodation and personal care were required to register as care homes providing adult placement. The fit between this regulatory approach and adult placement was poor. 2/3 of AP Carers remained outside regulation. 26% of AP Carers left in the first 18 months after implementation.
- August 2004: The regulatory approach to adult placement was amended. The new regulatory approach mirrored the regulatory approach to fostering in which the agency is regulated rather than individual foster carers. AP Carers including those providing care and support to people in their own (the AP Carers') homes do not individually register and work in accordance with an AP Scheme registered under the new 2004 Regulations.

## **LOCAL AUTHORITY FUNDING OF LONG TERM ADULT PLACEMENTS**

### **The legislation governing local authority purchase of care / support within long term adult placements**

When a local authority places a person in a residential placement under the powers given in Section 21 of the National Assistance Act 1948: the placement has to be within a registered care home where personal care is to be provided.

It is not possible for such a placement to be made with an adult placement carer as they are not a registered care home. If no personal care is to be provided, a residential placement can be made in other types of accommodation but not with an adult placement carer because under such arrangements other support is available as set out below. This means that the power in Section 21 is not available for adult placement schemes.

Where people are assessed as needing the support of an adult placement carer in order to live independently within the community: the powers available to local authorities to be used in respect of these people are those in Section 29 of the National Assistance Act 1948, Section 2 of the Chronically Sick and Disabled Persons Act 1970 and Section 45 of the Health and Public Health Act 1968 for the funding of support services. Using these powers a local authority may make arrangements to assist a person to live independently with support in the community with an Adult Placement Carer. Such arrangements may include the provision of personal care services because the arrangements are not for a residential placement under Section 21 of the National Assistance Act. The “rent” element of the accommodation provided in the AP Carer’s home is the responsibility of the individual concerned and not the local authority.

### **Funding long term adult placements under the 2004 Regulations**

1. Following a referral, the local authority will carry out an assessment of an individual’s needs.
2. Where the assessment of need concludes that the person’s needs could be met by living independently in the community in an adult placement setting and s/he wishes to and has the capacity to do this consideration needs to be given to the following:
  - a) The AP Carer may as part of the placement agreement required by Regulation 13 of the 2004 Regulations issue a “licence to occupy” the relevant room or rooms within their home (see Appendix A which addresses the situation where the person is judged not to have the capacity to enter into an occupancy agreement even with support).
  - b) The person to whom the placement agreement applies will have responsibility for their “rent”. They may be entitled to claim housing benefit or will be responsible for paying the “rent” from their own resources. Either way the individual not the council meets the cost of the accommodation.
  - c) The person will pay for their board and their share of the utility bills from their own resources (usually state benefits)
  - d) The local authority will pay for the cost of support/care under the powers given in section 29 of the National Assistance Act 1948, section 2 of the Chronically Sick and Disabled Persons Act 1970 and section 45 of the Health and Public Health Act 1968 (see Appendix B for an explanation of these powers)

## **LOCAL AUTHORITY CHARGING AND PEOPLE IN LONG TERM ADULT PLACEMENTS**

The current position is that charges to people living with AP Carers fall under Fairer Charging, the rules that apply to non-residential services (see Appendix B to this document for an explanation of the Fairer Charging rules).

### **People Subject to Section 117 of the Mental Health Act**

Where the adult placement has been identified as necessary to meet the persons' assessed need:

- The person cannot be charged rent and will not be able to claim housing benefit.
- The person cannot be charged for any other aspect of their placement

## WHERE THE PERSON IS JUDGED TO LACK THE CAPACITY EVEN WITH SUPPORT TO ENTER INTO AN OCCUPANCY AGREEMENT

Where the assessment of need concludes that the person does not have the capacity with support to enter into a 'licence to occupy' then two courses of action are possible:

1. Following Social Security Commissioners' decision CH 2121/2006 which accepted that a person may have liability to pay rent without a formal licence agreement: The person deemed to lack capacity to enter into a licence agreement with the AP Carer may apply for Housing Benefit to pay their rent without a formal licence to occupy
2. The local authority may apply to the Court of Protection for a single order that will allow it to enter into an occupancy agreement on behalf of the person deemed to lack capacity. The process for single order applications is explained below:

### Process for Single Order Applications

Where the service user is assessed as not having the capacity to understand the licence agreement, authority can be sought to sign the agreement on their behalf. Service Users without mental capacity should **not** be asked to sign an occupancy agreement, nor should anyone sign on their behalf without legal authority.

Where anyone holds Enduring Power of Attorney, Lasting Power of Attorney, or is a Court Appointed Deputy, they will probably have responsibility for arrangements around the occupancy agreement. Where there is no-one in this position, application can be made to the Office of the Public Guardian for a single order.

A single order differs from a full short order in that it allows the applicant specific authority to sign the occupancy agreement but does not confer authority for other aspects of the individual's finances eg welfare benefits.

Prior to 1 October 2007 and the full implementation of the Mental Capacity Act such applications required the support of a medical certificate to confirm that the individual lacked capacity to sign a licence agreement. After 1 October 2007, the Mental Capacity Act allows for this decision to be made by a 'decision maker' eg family member, Care Manager, Care co-ordinator, Assessor.

The application for a single order should be accompanied by confirmation in writing from the decision maker regarding lack of capacity to sign the occupancy agreement. The application will then be considered by the Office of the Public Guardian. If agreed, written authority will be forwarded to the applicant.

On receipt of written authority from the Office of the Public Guardian, the licence can be signed by the authorised person and application made for Housing Benefit in the usual way. Where the person has an appointee, they would need to sign the application for Housing Benefit. If an appointee does not exist then it is likely that one will need to be appointed to claim Housing Benefit, as the Housing Benefit Department may question capacity in the light of the short order.

## FAIRER CHARGING IN ADULT PLACEMENT

### INTRODUCTION

Historically, Adult Placements offering accommodation and personal care were registered as small care homes through the Commission for Social Care Inspectorate (CSCI) and were funded under Section 21 of the National Assistance Act 1948 (NAA). In 2004 the Care Standards Act 2000 was amended and the requirement to register transferred to Adult Placement (AP) Schemes rather than individual carers. As a consequence of these statutory changes, the Department of Health (DH) has now confirmed that it is no longer legal for people with personal care needs in unregistered settings to be funded under Section 21 of the NAA. Furthermore, regardless of whether or not the AP service user has personal care needs, DH has confirmed that AP funding should be provided as follows:

- Accommodation: funded by the AP service user either through Housing Benefit, their wages or from some other source of income
- Board and Utilities: funded by the AP service user from their own income (e.g. benefits, wages, private income etc)
- Support: funded by the Local Authority using the powers afforded under Section 29 of the NAA or by Section 2 of the Chronically Sick and Disabled Persons Act 1970 (CSDPA)<sup>1</sup>.

As a result of these changes, DH has advised that when assessing a service user's ability to contribute towards support services, councils can no longer apply a financial assessment using the Charging for Residential Accommodation Guide (CRAG) charging rules. Alternatively, using discretionary charging powers<sup>2</sup>, where councils do choose to impose such charges, DH has advised that Fairer Charging (FC)<sup>3</sup> is now the appropriate charging mechanism. Accordingly, this guide will seek to outline the main principles of FC. Whilst councils will already have established FC policies, this guidance will look to examine how policies might now be applied or adapted specifically for an AP setting. Annex 1 of this guide will offer working examples of FC within AP.

### THE MAIN PRINCIPLES OF FAIRER CHARGING

The FC guidance was issued as a result of the Audit Commission report *Charging with Care* published in May 2000. This report examined widely varying charging policies for non residential services amongst Local Authorities. The resulting DH guidance,<sup>4</sup> while allowing a good degree of local discretion and flexibility, nonetheless looked to lay down certain fundamental rules in an effort to standardise charging procedures. As is evident from the below extract<sup>5</sup>, underpinning FC is an ethos of fairness to service users:

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<sup>1</sup> Housing related support can continue to be funded through Supporting People grant.

<sup>2</sup> Powers conferred under the Health and Social Services and Social Security Adjudications Act 1983 (HASSASSA)

<sup>3</sup> FC Guidance issued under Section 7 of the Local Authority Social Services Act 1970

<sup>4</sup> *Fairer charging policies for home care and other non-residential social services: Guidance for Councils with Social Services Responsibilities (September 2003)*

<sup>5</sup> Section I (3)

*“This guidance includes advice on a number of issues where councils need to take particular care to ensure that any charging policy is reasonable. Councils need to ensure both that their charging policies are demonstrably fair ...and that the overall objectives of social care, to promote the independence and social inclusion of service users, are not undermined by poorly designed charging policies...”*

The following is a summary of the most pertinent issues within the Guidance; highlighting, where appropriate, those aspects of particular significance to AP.

### **After-care Services**

In line with CRAG, after-care services provided under section 117 of the Mental Health Act 1983 cannot be charged for under FC.

### **Income Support/Pension Credit (Guarantee Credit) + 25% Buffer**

In line with Government social care policies looking to promote independence and social inclusion, a service user's income should not be reduced, by virtue of paying a charge, below “basic” levels of Income Support or Pension Credit (Guarantee Credit) plus a buffer of not less than 25%. This ‘FC Allowance’ is dependant on each service user's Income Support/Pension Credit age related allowances and disability premiums (excluding Severe Disability Premium)<sup>6</sup>.

### **Maximum Charges**

While councils can opt to take a service user's full disposable income into account, councils may choose to set a maximum amount or maximum percentage of disposable income (over and above basic levels of Income Support or the Guarantee Credit of Pension Credit levels, plus 25%) which may be imposed as a charge.

Depending upon the number of hours of service provided, under a regular domiciliary care service, a service user may/may not contribute their maximum assessable charge towards that service eg following FC assessment, a service user receiving two hours per week domiciliary care at an hourly rate of £12.30 is assessed with weekly disposable income of £50. As such, the service user's contribution (£24.60 per week) is less than the maximum assessable charge.

Unlike regular domiciliary care providers, given the full time nature of AP, support cost fees paid to AP carers are not ordinarily based on hourly rates. Accordingly, it is suggested that within AP, a service user will always contribute their full weekly assessable charge (taking account of any discretionary capped charges as described above).

It should be noted that in line with the Guidance, no charge should be implemented for any period prior to the outcome of the charging assessment having been advised to the service user.

### **Disability Related Benefits/Disability Related Expenditure (DRE)**

The principle disability related benefits in relation to AP and FC are Disability Living Allowance (DLA)<sup>7</sup>; Attendance Allowance (AA); the Severe Disability Premium (SDP)

<sup>6</sup> See Appendix A for main FC Allowances

<sup>7</sup> DLA care component for assessment purposes. Mobility component is fully disregarded from charging assessment.

element of Income Support/Pension Credit and the Enhanced Disability Premium (EDP) element of Income Support.

Councils have discretion not to include any disability related benefits in the charging assessment but where these are included, provision must also be made for DRE ie reasonable expenditure in relation to items which the disabled person has little or no choice other than to incur in order to maintain independence of life.<sup>8</sup> Whilst some DRE items may not be particularly relevant in an AP setting eg the provision for a Meals on Wheels service or gardening/window cleaning costs, other items may be quite appropriate eg chiropody costs; special clothing/footwear or the purchase and repair of specialist disability related equipment/furniture.

Councils also have discretion to disregard a proportion or standard amount of service users' disability benefits from the charging assessment. In this situation, the assessment should always allow for any additional DRE that may exceed the sum disregarded.

### **Transport Costs and DRE**

Under the Guidance, where DLA mobility is not in payment, all transport related costs can be considered for a DRE allowance. When in pay, all DLA mobility must be fully disregarded. Accordingly, where the service user incurs weekly transport related costs below the respective level of DLA mobility in pay, these costs would not be considered for any additional DRE allowance. Conversely, any transport related costs over and above the level of DLA mobility in payment can be considered for a DRE allowance.

The situation should be no different within AP although it may be that the service user pays a weekly sum for transport costs to the carer eg for reimbursement of petrol. Presumably, this would only be the case where the agreed AP support fees payable to the carer do not include any element for transport or where the costs incurred by the carer exceed the agreed sum within the support fees. Where this is the case, DRE can be allowed for in the standard way.

### **DLA/AA**

Unless any element of night care or support is purchased by councils, the Guidance states that where high rate DLA care or high rate AA is in payment, only the DLA middle rate/AA low rate should be taken into account in the charging assessment. The Guidance further states that:

*'Any element of care or support related to night care, for example, an on-call service available at night, funded by the council, may in certain circumstances be regarded as night care.'*

Within AP, support fees are not restricted to purely day time care. At the very least, AP carers can be said to provide a night time 'on-call' service and in many cases full night care services are provided. Consequently, where high rate DLA care/AA is in pay to the service user, it is suggested that the full benefit can be taken into account within the FC assessment.

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<sup>8</sup> Please refer to original Department of Health Guidance for examples of main DRE expenditure.

## **Savings and Capital**

Whilst not obligated to do so, councils may take account of a service user's savings/capital in the FC assessment<sup>9</sup>. When taken into account, the same savings limits/tariff income calculations as are annually set out in CRAG should be applied<sup>10</sup>. It should be noted that under FC, councils do have discretion to set higher/more generous savings limits than as detailed within CRAG but should not apply any lower limits.

## **Earned Income**

In order to avoid creating disincentives to work, all earnings should be fully disregarded from the FC assessment<sup>11</sup>.

## **Rent/Housing Benefit**

Housing Benefit is fully disregarded as income for the FC assessment. The element of rent within an AP that is ineligible for HB ie meals and utilities, should not be allowed for as these cost should be met by the service user from the 'FC Allowance' (Income Support + 25%).

Where the service user does not receive full HB for the eligible rent, these rent costs should be allowed for in the assessment. An example of this might be where a service user receives Incapacity Benefit but has no entitlement to Income Support. Whilst the majority of eligible rent might be covered by HB, a small part may not and these costs should be allowed for as additional expenditure (see Annex 2 example 3a).

## **Pension Savings Credit**

Where a service user receives the Savings Credit element of Pension Credit, this should be disregarded in its entirety from the FC assessment.

## **War Pensions**

In line with Income Support regulations, a weekly £10 disregard should be applied to War Disability and War Widows Pensions. A full disregard will apply to War Widows Supplementary Pension.

## **Benefits Advice**

As part of the charging assessment, councils must provide comprehensive benefits advice with there being an obligation to maximise service users' income, especially where a charge is to be implemented.

Within AP, this might be considered to be of particular importance, especially in relation to service users making the transition from being assessed under CRAG to FC rules and the effect this change will have on service users' entitlements to benefits.

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<sup>9</sup> Assessable savings as defined under CRAG

<sup>10</sup> Tariff income/capital limits (financial year 2007 – 2008): £1 per £250 on savings £13,000 - £21,500

<sup>11</sup> Earnings defined as per definition under CRAG

## **Entitlement to Benefits – CRAG vs FC**

Benefit entitlement differs quite significantly between funding under CRAG and FC. In addition to the regular benefits payable regardless of the funding source eg Income Support/Pension Credit; Severe Disablement Allowance/Incapacity Benefit,<sup>12</sup> the following table provides a summary of the main benefit differences (table assumes service user is not self funding):

<b>Benefit</b>	<b>CRAG</b>	<b>FC</b>
Housing Benefit	N	Y
AA/DLA care	N	Y
DLA mobility	Y	Y
SDP element of IS/PC	N	Y <sup>13</sup>
EDP element of IS	N	Y <sup>14</sup>

Given what is stipulated in the Guidance concerning benefits advice, it is important to ensure that where appropriate, benefits such as SDP/EDP are correctly awarded. Additionally, for service users moving from CRAG to FC, not only should DLA care component/AA be reinstated, there may also be a case for reviewing the level of DLA/AA (which may have been suspended under CRAG rules for many years) with a view to obtaining a higher rate together with the associated Income Support/Pension Credit premiums (see Appendix D example 3b).

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<sup>12</sup> Refer to NAAPS guidance 'Benefits and Adult Placement'

<sup>13</sup> Payable only if AA or middle/high rate DLA care in payment

<sup>14</sup> Payable only if high rate DLA care in payment

**Main Fairer Charging Allowances (single person)<sup>15</sup>****A. Age over 60**

Pension Credit (Guarantee Credit) £119.05 + 25% (£29.76) = **£148.81**

**B. Age 25 - 59 – Income Support**

Personal Allowance £59.15 + 25% (£14.79) = **£73.94**

Personal Allowance	£59.15	
Disability Premium	<u>£25.25</u>	
	£84.40	+ 25% (£21.10) = <b><u>£105.50</u></b>

Personal Allowance	£59.15	
Disability Premium	£25.25	
Enhanced Disability Premium	£12.30	
	£96.70	+ 25% (£24.18) = <b><u>£120.88</u></b>

**C. Age 18 – 24 – Income Support**

Personal Allowance £46.85 + 25% (£11.71) = **£ 58.56**

Personal Allowance	£46.85	
Disability Premium	£25.25	
	£72.10	+ 25% (£18.03) = <b><u>£90.13</u></b>

Personal Allowance	£46.85	
Disability Premium	£25.25	
Enhanced Disability Premium	£12.30	
	£84.40	+ 25% (£21.10) = <b><u>£105.50</u></b>

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<sup>15</sup> Financial year 2007 - 2008

**EXAMPLE FAIRER CHARGING ASSESSMENTS**

In all following examples, it is assumed that: (i) all disability benefits are taken into account and (ii) the service user has insufficient savings to affect either the FC financial assessment or entitlement to benefits.

For sake of these examples, the total rent payable to the AP carer is £110.00 per week. Of this sum, £80.00 is for accommodation and is therefore eligible for Housing Benefit (HB). The remaining £30.00 is for 'ineligible services' (board & utilities) which is funded by the service user from the FC Allowance.

**Example 1**

John is 22. He receives Income Support and low rate DLA care & mobility. He receives full HB of £80.00 which is paid directly to his AP carer. FC assessment calculated as follows:

<b>Income:</b>	£72.10 – Income Support
	£17.10 – DLA care
	<u>£17.10</u> – DLA mobility
<b>Total income:</b>	<b><u>£106.30</u></b>
<b>Deductions:</b>	£90.13 – FC Allowance (£72.10 + 25%)
	£17.10 – DLA mobility
	<u>£00.00</u> – DRE (none identified)
<b>Total deductions:</b>	<b><u>£107.23</u></b>

**Assessable**

**Remaining income = zero** (no charge due)

After deductions, John has no remaining assessable income so no charge is due. He is left with his full income of £106.30 out of which he must pay £30.00 for board and utilities. Once paid, he is left with disposable income of £76.30 per week.

**Example 2**

Jennifer is 44. She receives Severe Disablement Allowance; Income Support (including SDP); full HB of £80.00 (paid direct to carer) and middle rate DLA care/ high rate mobility. FC assessment calculated as follows:

<b>Income:</b>	£66.25 - Severe Disablement Allowance
	£66.60 – Income Support (including SDP)
	£43.15 – DLA care
	<u>£ 45.00</u> – DLA mobility
<b>Total income:</b>	<b><u>£221.00</u></b>
<b>Deductions:</b>	£105.50 - FC Allowance (£84.40 + 25%)
	£45.00 – DLA mobility
	<u>£10.00</u> – DRE (electric wheelchair purchase & maintenance)

**Total deductions:**            **£160.50**

**Assessable**

**Remaining income** = £ 60.50 (maximum assessable charge)

After deductions, Jennifer's remaining income is £60.50, this being the maximum amount she can contribute towards her support fees. If she contributes this full sum, she will retain income of £160.50 from which she must pay £30.00 for board and utilities and her £10 DRE. She will then be left with weekly disposable income of £120.50.

**Example 3a**

Sarah is 34. For many years she was under residential care (CRAG) rules but she recently made the transition over to Fairer Charging. Under CRAG, her low rate DLA care had previously been suspended. Having now changed to FC, this has now been reinstated. In addition to low rate DLA care, Sarah receives low rate DLA mobility and Incapacity Benefit. Sarah has also been awarded HB of £70.87 (paid directly to her AP carer) although as she does not receive Income Support, the HB does not meet her full 'eligible' rent of £80.00. FC assessment calculated as follows:

<b>Income:</b>	£98.45 - Incapacity Benefit £17.10 – DLA care <u>£17.10 – DLA mobility</u>
<b>Total income:</b>	<b><u>£132.65</u></b>
<b>Deductions:</b>	£105.50 - FC Allowance (£84.40 + 25%) £17.10 – DLA mobility £9.13 – Rent (accommodation costs not met by HB) <u>£5.00 – DRE (private day centre fees)</u>
<b>Total deductions:</b>	<b><u>£136.73</u></b>

**Assessable**

**Remaining income** = zero (no charge due)

After deductions, including the shortfall for 'eligible' rent not met by HB, Sarah has no remaining assessable income so no charge is due. She therefore retains her full income of £132.65. Out of this sum, Sarah must pay £30.00 towards her ineligible HB services (board and utilities) plus the £9.13 eligible rent HB shortfall. Sarah also pays £5.00 for a private day centre. Sarah's total expenditure is £44.13, which leaves her with weekly disposable income of £88.52.

**Example 3b**

More recently, Sarah's needs have increased to the extent that her AP carer is required to provide regular night care and it is felt that she may be entitled to a higher level of DLA. Following a review, Sarah's low rate care component is increased to high rate (no change to her low rate mobility). In addition to her Incapacity Benefit, having been awarded high rate DLA care, Sarah is now also eligible for Income Support (SDP and EDP) plus full HB of £80.00 (paid to carer). Sarah's DRE has also increased. FC assessment as follows:

<b>Income:</b>	£98.45 - Incapacity Benefit £46.70 - Income Support (including SDP & EDP)
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	£64.50 – DLA care
	<u>£17.10</u> – DLA mobility
<b>Total income:</b>	<b><u>£226.75</u></b>
<b>Deductions:</b>	£120.88 - FC Allowance (£84.40 + £12.30 [EDP] +25%)
	£17.10 – DLA mobility
	<u>£25.00</u> – DRE (day centre; travel costs exceeding DLA mob)
<b>Total deductions:</b>	<b><u>£162.98</u></b>

#### **Assessable**

**Remaining income = £63.77** (maximum assessable charge)

Having been awarded higher benefits, Sarah now has a maximum assessable charge towards her support costs of £63.77. If she contributes this sum, she will retain income of £162.98. Of this, she must pay £30.00 towards her ineligible HB services (board and utilities) plus she has DRE of £25.00. Sarah will be left with disposable weekly income of £107.98.

#### **Example 4**

William is 68. His income consists of State Retirement Pension (SRP); an Occupational Pension (OP) from his former employer; Pension Credit (Guarantee & Savings Credit); HB of £80.00 (paid direct to carer) and low rate AA. FC assessment as follows:

<b>Income:</b>	£88.02 - SRP
	£20.00 - OP
	£59.48 - PC (GC + SDP)
	£12.43 - PC (SC)
	<u>£43.15</u> - AA
<b>Total income:</b>	<b><u>£223.08</u></b>
<b>Deductions:</b>	£148.81 - FC Allowance (£119.05 +25%)
	£12.43 – Pension Credit (Savings Credit)
	<u>£15.00</u> – DRE (chiropractic & extra clothing costs)
<b>Total deductions:</b>	<b><u>£176.24</u></b>

#### **Assessable**

**Remaining income = £46.84** (maximum assessable charge)

After deductions, William's remaining income is £ 46.84, this being the maximum amount he can contribute towards his support fees. If he contributes this full sum, he will retain income of £176.24 from which he pays £30.00 for board and utilities and he has £15 DRE. He will be left with weekly disposable income of £131.24.

#### **Example 5**

Julie is 22. She has a part time job and she earns a regular wage. She still receives Income Support; full HB of £80.00 (paid to carer) and DLA care middle rate/mobility low rate. FC assessment calculated as follows:

**Income:** £85.00 - Wages  
£55.55 – Income Support (including SDP)  
£43.15 – DLA care  
£17.10 – DLA mobility  
**Total income:** **£200.80**

**Deductions:** £85.00 - Wages  
£90.13 – FC Allowance (£72.10 + 25%)  
£17.10 – DLA mobility  
£10.00 – DRE (specialist footwear)  
**Total deductions:** **£202.23**

**Assessable**

**Remaining income = zero** (no charge due)

After deductions, Julie has no remaining assessable income so no charge is due. She is left with her full income of £200.80 out of which she must pay £30.00 for board and utilities plus her £10 DRE. Once paid, she is left with weekly disposable income of £160.80.