

CARE ACT 2014

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 1 – Care and Support

Imposing charges and assessing financial resources

Section 15 – Cap on care costs

125. This section establishes a limit on the amount that adults can be required to pay towards eligible care costs over their lifetime. Eligible care costs are the costs of meeting eligible needs that a local authority would meet under section 18. These costs are either specified in a personal budget (under section 26) where the local authority is meeting the person's needs, or in an independent personal budget (under section 28) where the person has decided that they do not want the local authority to meet their needs. *Subsection (1)* restricts local authorities from charging for eligible care costs once the amount of a person's accrued care costs reach the level of the cap.
126. *Subsection (2)* defines what is meant by the costs accrued in meeting eligible needs as being those costs that the local authority would incur if it, or another local authority were to meet the person's needs itself, or, in the case of a person who has an independent personal budget under section 28, what the cost to the local authority of meeting the person's needs would be. *Subsection (3)* defines eligible needs as those that meet the eligibility criteria and are not being met by a carer. Adults must also be ordinary resident, or present in the local authority area to have eligible needs.
127. *Subsection (4)* provides for the level of the cap to be set in regulations, and includes power to set the cap at different amounts for people of different ages. This will allow the cap to be set at different levels for working age adults, and includes the possibility of setting the cap at zero for specified categories of person, for example people who have eligible needs for care and support when they turn 18.
128. When a person receives care and support in a care home, daily living costs such as food and lighting should not count towards an adult's accrued costs; *subsection (6)* ensures that where the costs of meeting a person's needs includes such daily living costs, these will be disregarded when measuring progress towards the cap. *Subsection (7)* allows a local authority to continue to charge for the daily living costs once the adult has reached the cap.
129. *Subsection (8)* provides a regulation making power to set the amount that will be considered as representing an adult's daily living costs.
130. The funding provisions are expected to be commenced in April 2016, and eligible care costs will only start counting towards the cap from the date of commencement of the sections.