

Finance: Funding Care and Support at Home

When asked most older people would prefer to remain in their own homes if they needed care and indeed, for some time now, it has been government policy to encourage and enable this to happen.

This factsheet will attempt to point you in the right direction to help understand how care and support at home is funded.



Assessing your care and support needs

The need for care can arise for different reasons. It might be a permanent need as a result of a disability, illness or frailty in old age or, it might be just a temporary need to get over an accident or a fall. Whatever the reason it is important to obtain a professional assessment of your needs. The first port of call for this is your local social services department who have a duty to assess the care needs of anyone who has been identified as possibly needing community care services that can be provided by them. These could include home care, meals on wheels, day care, equipment and alterations to your home, care in a care home or respite care. There is no charge for an assessment from the council. Alternatively, if you can afford it, there are also independent agencies that can do this privately.

Professionals assessing your needs decide what services or support can be provided to meet your needs. These could range from home help to a live in carer or from adapting your home to recommending alternative accommodation. Sadly, many local authorities on tight budgets can only provide care to those people who have substantial or critical needs so it is a good idea to ask them to describe what procedures, priorities, and rules they use to decide whether they will provide services, and if they will help to pay for them. Ask them to explain about how their rules apply to your situation.

There are no national eligibility criteria for community care services, but there is government guidance on which each council must base its services. Details of the services that your council provides should be available from the local council offices or in most cases available on their website. Your GP's surgery or local Age Concern should also be able to help you understand the local eligibility criteria and how to access services.

The assessment is the first stage in getting the help and support you might need and must be carried out by your local council before they can provide or arrange any services for you. Even if you will be arranging for and paying privately for your care it is still a good idea to have a proper assessment to help you understand and decide what sort of care and support you need and is available. To get an assessment you should contact your local social services department. If you are unable to do this your GP, community nurse, any other professional worker or a friend or relative, with your permission can contact social services on your behalf.

The assessment that follows would normally be carried out by a social worker or care manager who will decide whether you require any care services or support and whether you fit their eligibility criteria for those services. The Assessment process is explained in more detail in our Factsheet No 6 Care: Obtaining Care and Support at Home.

Unless a package of care services is being provided by the local council, a restricting factor on what care and support you have might be what you can afford to purchase privately. In this factsheet we look at how council funding works and the alternatives if you do not qualify for council support.

Council Funding

Once it has been agreed that services can be provided by the council they will then carry out a financial assessment to work out if you should contribute towards the cost. Again, there are no set rules for calculating how much the council can charge for services but there is national guidance the council must adhere to.

There are two stages to establishing how much funding might be available for your care, the assessment of needs described above and the means test.

If the local council has assessed you as needing and qualifying for care at home, they can either provide it directly or arrange for it to be delivered through local private or voluntary agencies. They will then work out how much you should contribute towards the cost. Although local councils have the discretion as to whether to charge for home care services, in practice most will charge. To work out your contribution you will normally have to undergo a means test or as it is sometimes referred to, a financial assessment, to ascertain your financial position. This will look at both savings and income to assess how much you could afford to contribute towards the cost of your care and support.

There is a national framework that provides guidance to local authorities on how to work out charges for home care provided or arranged by them. This is called 'Fairer Charging Policies for Home Care and Other Non-Residential Social Services'. England and Wales both use guidance of this name. In Scotland, personal care is free for those over 65 years, but charging still applies to non-personal care services, such as day care, luncheon clubs, meals on wheels and community alarms.

Each local authority should publish and make available to users and carers clear information about charges and how they are assessed. This information should be made available at the time a person's needs assessment is carried out and, after the means test, written information should be provided detailing how any charges are worked out and payable.

In principle, the fairer charging policy instructs councils to allow people to retain a minimum amount of money for their own personal use, rather than it all being used up paying for care. The minimum this amount should be is set as a 25 per cent buffer above the basic levels of the guaranteed credit of Pension Credit. For example, if Pension Credit was £130 per week, 125 per cent of that would be £162.50 and be the amount ignored in calculating the income assessable when charging for care.

However, in most areas if you have capital or savings in excess of the means test limit £23,250 2010/11 (£22,000 in Wales), you can be charged the full cost of your care. These are the minimum capital limits provided in the fairer charging guidance although a few councils exercise their discretion by increasing the capital limits or might set a maximum level of charges people should be asked to pay. The value of your home is not taken into account in the means test for home care and, if only one member of a couple requires care, the means test should only take into account the resources of that person. Any joint accounts are treated as divided equally between the partners.

Local councils may charge differently depending on the services being used. For example, meals at home or in day care may be charged at a flat rate to all users, without applying a means test because they are regarded as a substitute for ordinary living costs that you might be expected to incur anyway. There is no set national guidance for how services should be charged for, but normally it would be based on the hours of service provided. Whatever method is used it must be deemed to be reasonable.

The following welfare benefits can be taken into account as long as in doing so it does not reduce your income to below the 25 per cent buffer described above:

The severe disability premium of Pension Credit

Attendance Allowance

Disability Living Allowance

Constant Attendance Allowance

Exceptionally Severe Disablement Allowance

The local council should provide an individual assessment of disability-related expenditure before taking these benefits into account and if necessary, ignore them if they are needed to pay for other care, support or costs associated with your needs. The mobility component of Disability Living Allowance should also be ignored.

The council will allow an amount to be deducted from your income for housing costs for example, rent, mortgage payments and council tax. Some may also include water bills and home insurance.

Direct Payments and Individual Budgets

Direct Payments

Instead of asking for a contribution towards the cost of care services the council may offer direct payments, an amount of money they have assessed as you needing to enable you to buy in the services you need yourself. The money must be spent on meeting your assessed needs and records have to be kept as to how the money is spent. Receiving direct payments does give you the choice of who the supplier is and can be used to purchase most community services. They cannot though be used to pay a relative or someone else living with you unless they are specifically employed as a live in carer.

Paying a carer direct could mean that you are an employer and with that comes employer's responsibilities for example deducting and accounting for PAYE tax and National Insurance.

Direct payments can be stopped at anytime if you would prefer the council to arrange and provide the services you need.

Individual Budgets

Extending the model of cash instead of care, the Government has introduced individual budgets as a way of making money available for a person's social care with help in deciding how to use it. By bringing together monies available from different government agencies it becomes possible to include the cost of equipment and adaptations into individual budgets. For example, you may be entitled to direct payments from social services to cover your care costs and, from the housing department, a disabled facilities grant for adaptations to your home.

If you consider that the council are charging you too much or your direct payments are inadequate to meet your needs there is a process through which the council can be challenged. The council should make this information available to you should you wish to seek a review or make a formal complaint about any aspect of your assessment.

Non-Means Tested Care

Care provided by the NHS, such as nursing services provided by community or district nurses, is free as is the first six weeks (four weeks in Scotland) of intermediate care provided to either avoid you having to go into hospital or to support you if you have just been discharged from hospital.

Also, in England and Wales, if someone has been detained in hospital for assessment and treatment under sections 3, 37, 45A or 47 of the Mental Health Act 1983 aftercare services provided under section 117 of that same Act are delivered free of charge.

Paying for Care Privately

If you do not qualify for local council support it may be necessary to purchase the care you need privately through home care agencies, all of which have to be registered with the relevant social care registration authority who also inspect them to ensure the care they are delivering is up to the prescribed minimum standards. The cost of employing a home care agency will depend on where you live and the amount of care you need. Details of local home care agencies and the services they can provide can be obtained through your local social services department, in England from the Care Quality Commission www.cqc.org.uk or from the United Kingdom Home Care Association (UKHCA) www.ukhca.co.uk.

Home Adaptations

In order for you to continue living in your own home it may require some alterations, repairs or adaptations. Minor works or equipment for example grab rails or ramps costing under £1,000 would normally be provided and fitted free of charge in England. Elsewhere they may be charged for.

Following an assessment of your needs you may be entitled to a means tested Disabled Facilities Grant (DFG) to help with the cost of adapting your home. Further information about DFGs can be obtained from your local housing or environmental health department although it might be quicker to have an assessment from the social services first to determine whether your needs would qualify for a grant.

In Scotland, there are housing grants from the local council similar to DFGs in England and Wales

To find out more about adapting your home you should contact your local council or a Home Improvement Agency (HIA), which are not-for-profit organisations often called Care and Repair or Staying Put agencies. Most HIAs will offer additional services such as handyperson or gardening schemes and have lists of approved contractors. The initial visit from the HIA is free and any subsequent charges will be discussed first and can usually be included in any grant if awarded.

If you need adaptations or alterations to your home but do not qualify for any grants or, do not have sufficient savings to pay for it, it may be possible to raise the money through a bank loan or, if you own the property, by releasing capital from its value. You can apply to release capital this way on favourable terms from a not-for-profit organisation known as the Home Improvement Trust (HIT) which runs a scheme called 'Houseproud' in conjunction with many of the councils and home improvement agencies in England, Wales and Scotland but not Northern Ireland. To find out more about the HIT, visit www.houseproud.org.uk

Equity release

If you cannot get the care or support you need from your local council and do not have sufficient income or savings to pay for services, equipment or adaptations privately you could consider equity release if you own your home. Releasing capital from your home is becoming more popular as property prices have substantially

increased over the years. There is much to consider when embarking on this route and there maybe more suitable alternatives. Your FirstStop adviser will be able to explain your options in detail should you wish or you can download the 'FirstStop Guide to Releasing Capital From Your Home' from the FirstStop website.

About FirstStop Financial Advice

As part of FirstStop Advice, we have selected a panel of Care Fees Advisers who specialise in care funding can help you fully understand your entitlements from the State and provide financial advice on care plans and other options available to you for meeting your care costs and we have selected a partner Just Retirement Solutions who can advise you about equity release. If you would like your local Care Fees Adviser to contact you please complete the form on the next page and send it to the address given, or complete it on line at www.firststopadvice.org.uk, or call the advice line if you need help completing it.

If you wish to find out more about equity release please complete and submit an application on line at www.firststopadvice.org.uk/equityrelease, telephone 0800 232 1309, or Email us at firststopadvice@justretirement.com and an **adviser will contact you** to discuss your circumstances, review your eligibility to plans whilst considering any alternative options suitable for you.

FirstStop Advice is provided jointly by some of the most trusted and respected advice organisations in the UK, with a particular focus on the needs of older people's affairs. FirstStop Advice will receive a portion of any revenue generated as a result of business conducted through the Financial Advice Service.

Visit us online at:

www.firststopadvice.org.uk

Call the advice line:

0800 377 7070

Open Mon – Fri, 9am – 5pm Calls may be monitored or recorded

Or Email: info@firststopadvice.org.uk

Please send this form when completed to:
FirstStop Advice, c/o EAC, 3rd Floor, 89 Albert Embankment, London, SE1 7TP



Care Fees Advice Application

(Private and Confidential)

1. Applicant's details (the person needing care)

Full Name (including title)			
Address			
Email		Postcode	
Telephone	Day	Evening	
Marital Status			
	Self	Partner	
Date of birth (dd/mm/yy)			
Health (good/average/poor)			

Name and address to whom correspondence should be sent if different

Relationship to applicant			
Full Name (including title)			
Address			
Email		Postcode	
Telephone	Day	Evening	

2. Financial information

Does the applicant own a property?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Total capital and savings (excluding primary residence)	£	

3. Care details

Type of Care (please tick)	Home Care <input type="checkbox"/>	Care Home <input type="checkbox"/>	Care Home with Nursing <input type="checkbox"/>
Is an Enduring/Lasting Power of Attorney or Deputyship Order held?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

Important information to be read and signed by applicant(s) or their legal representative only Personal data I/we declare and agree with the statements below:

To enable FirstStop Advice and its panel of Care Fees Advisers to conform with the Data Protection Act 1998 I/we agree that the Care Fees Adviser may use the information I/we have supplied to make recommendations and administer my/our application (should I/we decide to apply for investment products). Any personal information I/we provide will be treated as private and confidential, and held and processed, on computer or otherwise, by the Care Fees Advisers as a result of my/our application (whether or not it proceeds) or any subsequent agreement.

I/we declare that the statements and particulars given in this questionnaire are, to the best of my/our knowledge and belief, true and complete.

I/we hereby authorise you to disclose and discuss with the following person, any information or correspondence that may arise from my/our enquiry.....

And/or I have legal authority to discuss affairs relating to the person(s) needing care.

Signature	Date
Signature	Date