

Local Authority Care & Support - Financial Assessments

Financial Eligibility

Local Authority provision is means-tested. A financial assessment must be completed to determine whether an adult is eligible for Local Authority funded care and support, and the amount (if any) a person would be likely to pay towards the cost of support.

What are the thresholds to be eligible for Local Authority funded care?

If an adult's savings and capital are more than £23,250, they will not be eligible for Local Authority funded care unless a capital disregard applies or eligibility for non-means tested (i.e. free) NHS Continuing Healthcare is established. A jointly funded care package or the NHS Funded Nursing Contribution may be available but will require a financial contribution.

If the adult's capital is between £14,250 and £23,250 the adult will be required to contribute £1 per week for every £250 of capital between these two figures. The adult will have to contribute all their income, minus £24.90 per week for the personal expenses allowance.

If the adult's capital is below £14,250 the adult will be entitled to maximum Local Authority support although the adult will still be required to contribute their income, minus £24.90 per week for the personal expenses allowance.

Are all assets included when assessing capital?

No. Certain savings and capital assets are disregarded. All Local Authorities must consider the 12-week property disregard. In addition, capital disregards such as the 52-week disregard for personal injury compensation may be applicable.

How are couples treated?

An adult should be assessed as an individual. A spouse, civil partner or partner does not have to contribute towards the cost of care. However, where a person owns assets jointly with another, such as a bank account, the person's share of that account is taken into consideration.

What happens if an adult is a self-funder?

Even if an adult does not satisfy the means test, a self-funder has a right to have the Local Authority make the arrangements required to meet eligible care needs. Some Local Authorities provide brokerage services to enable self-funders to access better care services potentially at lower cost.

When can a Local Authority begin to charge for care?

As a general rule, a Local Authority is able to levy charges from the date it starts to incur costs to meet a person's care and support needs.

What happens if a person refuses to complete a financial assessment?

The Local Authority is deemed to have completed a financial assessment and determined that a person does not satisfy the means tests. The person will therefore be charged the full cost of care and support.

If an adult owns a property, how will the Local Authority consider the asset?

If a property is taken into account, the Local Authority should take the property at present market value, less any mortgage or secured loan on the property and less 10% of the expenses involved in selling the property.

What if a property has been sold?

The 10% rule does not apply. Once a property has been sold, the adult is treated as having the actual share of the sale proceeds because the sale expenses have been paid.

What if I disagree with the Local Authority's valuation of the property?

The Local Authority must arrange an independent professional valuation within the 12-week property disregard period.

What is the 12-week property disregard?

A Local Authority must disregard (i.e. not take into account) a property as part of the financial assessment for the first 12 weeks after an adult begins to receive permanent care in a care home.

When will a property be disregarded entirely?

If any of the following people occupy the home, as their main or only home whilst the person is resident in a care home:

- A spouse, partner, former partner, or civil partner
- A lone parent who is estranged or divorced partner
- A relative of the adult, or a member of the adult's family who is aged 60 or over, or a child aged 18, or a relative or family member who is incapacitated.

The property disregard will remain in place until such time as the property is occupied by anyone in the above categories as their main or only home.

A Local Authority also has a general discretion to disregard a property even if someone living in the home does not qualify for a mandatory disregard.

What does deprivation of assets mean?

You cannot give property away in order to avoid paying for care. If the evidence suggests that property has been transferred to deliberately deprive yourself of assets and therefore reduce a person's contribution towards care costs, the Local Authority can assess the contribution required as if they still own the property.

What is a Deferred Payment Scheme?

An arrangement whereby you delay paying care costs until a later date by having a legal charge placed on a property. It effectively means you borrow money towards care fees. A Local Authority must offer a deferred payment scheme, however you may be charged administration costs and interest on any accruing amount.

What is the eligibility criteria for a Deferred Payment Scheme?

- Your care needs are met through the provision of care in a care home, whether funded and arranged by a Local Authority or not, providing the Local Authority agrees this is a reasonable way to meet your eligible needs.
- You have less than or equal to £23,250 in assets, excluding the value of your property.
- Your home is not disregarded in the financial assessment.
- You have adequate security in your home to pay back the deferred payments, administration charges and accrued interest.
- You agree to the conditions in the deferred payments agreement.
- An agreement of this kind can only be available when the property is your main or only home, and you have a legal or beneficial interest in the property.

Is it possible to challenge the outcome of a Financial Assessment?

Yes. The starting point is to raise a complaint in accordance with the Local Authority's complaints procedure.

If eligible for Local Authority funded care, am I entitled to a choice?

Yes. A Local Authority must provide you with a choice of care, support and accommodation if it is agreed that accommodation is required to meet needs.

When can a top-up payment be demanded?

If offered a choice, you can express a preference for particular accommodation which the Local Authority must then arrange.

If the preferred option costs more than the Local Authority deems necessary, a third party (such as a parent, relative or charity) may be asked whether they are able to 'top up' the fees. This is a voluntary arrangement. The Local Authority cannot force a third party to pay a top-up fee, although if no one is able to pay the top-up fee, that option may not be available. If you are not offered a choice of accommodation, a top-up payment cannot be sought by the Local Authority.

What issues commonly arise?

- Top-up payments are unreasonably demanded by a Local Authority when no choice of care, support and accommodation has been offered.
- Where the preferred choice is not available, and temporary arrangements are necessary, a Local Authority may demand a third party pays the difference in cost until the permanent placement is available.
- Disputes arise with regard to the income and capital a Local Authority is entitled to take into account as part of the financial assessment when determining a person's contribution to the cost of care.
- Often other forms of non-means tested care are not considered, such as NHS Continuing Healthcare, the NHS Funded Nursing Contribution, or jointly funded packages of health and social care.

How can Lester Aldridge assist?

We can provide:

- An initial, free 30 minute consultation to discuss the circumstances of the case and identify what mechanisms may be available to fund care and support.
- Advice and support throughout the financial assessment process to ensure that income and assets are properly assessed in accordance with the rules.
- Representation to challenge defective financial assessments, or situations in which a Local Authority seeks to charge for care, support and accommodation in contravention of the top-up rules, or where no choice has been offered.