

Social Care and Benefits

The NFWI created this booklet and the Financial Services Authority
paid for this work as part of the National Strategy for Financial Capability.

This booklet forms part of a series of five, written by the speakers at You and Your Money - A Conference on Personal Finance, held at Denman College in May 2008. The conference offered the opportunity to discover where to find advice, and how to keep track of finances, choose financial products, plan ahead, and stay informed about financial matters.

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This booklet was created by Denman College, and the Financial Services Authority paid for this work as part of the National Strategy for Financial Capability. We aim to give you general information to help you make financial decisions. The information does not constitute financial or other professional advice; for advice about your own circumstances, you should consult a professional adviser.

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What are Social Care Services?

Social/community care services are services that are arranged/ provided by the Local Authority (LA) social services department, mainly to adults who have care needs as a result of age, disability or physical or mental illness. Social care services include a place in a care home or services to help you carry on living in your own home and keep as much independence as possible. A wide range of social care services are available, including:

- A place in a care home
- Home care services
- Adaptations to the home
- Meals
- Recreational/occupational activities

Home-based care services

There is Department of Health national guidance: Fairer Charging Policies for home care and other non residential services - guidance for councils with social services responsibilities, 2001- as amended 2003.

Charges for non-residential care services are at the discretion of the Local Authority within the national guidance. Charges should be fair and no-one should be asked to pay more than they can reasonably afford or left with less than the minimum Income Support/ Pension Credit (Guarantee Credit)

level of income plus 25% in addition to housing and disability-related costs.

Residential care

Local Authorities assess ability to pay using the National Assistance (Assessment of Resources) Regulations 1992. The "Charges for Residential Accommodation Guide" (CRAG) provides guidance to Local Authorities. If you are in residential care funded by the Local Authority, you are expected to contribute most of your income towards the fees.

Nursing Care

The cost of any nursing care should be paid for by the NHS.

Social care financial assessments are often complex. If you are having problems you should consult an experienced adviser (eg your local Citizens Advice Bureau)



Case Scenario: Benefits and Residential Care

Pat and Norman are in their late 70s. Norman has had two strokes and is now very frail. Pat has managed most of his care so far, but is finding it increasingly difficult to cope.

Pat and Norman

The couple rely mainly on Norman's income - state pension and attendance allowance which together come to around £8,000 a year and his occupational pension of £5,000 a year. Pat just has a state pension of £2,600 a year. They have about £25,000 in joint savings but they let the interest on this accumulate and try to dip into this money only if they need to. They own their own home outright.

If Norman goes into care, Pat worries:

Who would decide where Norman went?

Would it be close enough for Pat to visit him?

Any medical/ nursing care Norman needs should be funded through the NHS. Any non-medical residential care needs can be funded by the local authority (LA) who can provide a list of local homes charging up to the amount they are willing to fund. Before choosing, it is important to get advice locally from the Local Authority, local care homes in your area and advice agencies and to make unannounced visits to prospective homes.

Would their home have to be sold to pay for the care?

The LA assesses income and capital. Where the property will continue to be home to a close relative, carer, person over 60 or dependent child who will be remaining there, the home is completely disregarded. Pat will remain in the home, so it is disregarded in full and would not have to be sold.

Would they have to use their savings to pay for care?

In 2008-09, in England, a person with capital below £13,500 does not have to contribute any of their capital towards the cost of care. A person with capital between £13,500 and £22,250 is expected to make some contribution. A person with capital over £22,250 is expected to be self-funding. Pat and Norman have £25,000 joint capital, but when Norman moves into care they are treated as two separate people and their capital is divided between them.

Only Norman's income and capital count towards the assessment ($\frac{1}{2} \times £25,000 = £12,500$) so his capital is below the limit and disregarded in full.

Would Norman's state pension and attendance allowance continue?

If you move into residential/nursing care, attendance allowance stops after 28 days unless you are fully self-funding. Norman's state pension remains in payment. Generally, the LA assumes that his occupational pension supports the couple, so his £5,000 a year occupational pension can be split in half. Norman retains half but must contribute this towards the cost of his care. So, if the care home fees are £500 a week and Norman's pensions come to £130 a week, he will pay £130 a week, with the LA paying the remaining £370. The LA must leave every care home resident with a minimum weekly personal expenses allowance which in 2008/09 is £21.15. The LA has discretion to agree a higher allowance if there is a case for doing so.

How much would Pat have to live on and would she be eligible for any state benefits if she was living in the house on her own?

Pat has a reduced state pension, she may also be allocated half of Norman's occupational pension. It is likely that she would qualify for a means-tested benefit, such as pension credit to top up her income. Pat would probably also qualify for council tax benefit. Anyone who qualifies for any amount - even just 10p - of pension credit (guarantee credit) automatically qualifies for full council tax benefit. Also, living in the house on her own would qualify her for a 25% council tax reduction



Frequently Asked Questions

Q What if my income is too low to contribute towards home-based care?

A Home care services must be provided free of charge if you are in receipt of Income Support/ Pension Credit (Guarantee Credit)/ Income Based Jobseekers Allowance. For incomes in excess of these levels, a financial assessment is carried out to determine how much you can reasonably afford to pay.

Q What benefit can carers claim?

A The main benefit for carers, is Carer's Allowance, which is paid to people aged over 16 who are looking after someone in receipt of middle or highest rate of Disability Living Allowance or Attendance Allowance, for at least 35 hours a week, and who are not in full time education or earning more than £91 per week on average. Carers may also be entitled to higher rates of means-tested benefits.

Q What are Direct Payments?

A Payments made by a LA to people to arrange their own care services. This should be offered as an option where the service user/carer is able to manage direct payments and organise their own care services. The amount of Direct Payment should be enough to cover the costs of buying services to meet the agreed care needs.

Q How much do I have to pay towards care if I have capital between £13,500 and £22,250?

A You must contribute a further £1 per week for every additional (or part of) £250 capital you have between these amounts

Q What happens if the care home we choose charges more than the maximum amount the LA will fund?

A If you choose a home which charges more than the LA ceiling, a friend/family/charity must agree to make up the full amount of the care home fees. This is called a third party top up.

Q What happens if the LA is taking the value of an empty home into account as capital when someone goes into permanent residential care and the house cannot be sold immediately?

A The value of the home can be disregarded for the first 12 weeks someone is in residential care. If it remains unsold, the LA can place a legal charge on the property under a deferred payment agreement until such time as the property is sold or the care service terminates.

Useful Contacts

Websites

Voluntary Organisation sites and contact details

Citizens Advice online guide

www.adviceguide.org.uk

Tel: see your local phone book for the contact details of your local Citizens Advice Bureau

Disability Alliance

www.disabilityalliance.org

Tel: 020 7247 8776

Child Poverty Action Group

www.cpag.org.uk

Carers UK

www.carersuk.org

Carers Line Tel: 0808 808 7777

Age Concern

www.ace.org.uk/AgeConcern/National_Age_Concerns.asp

Tel: 0800 00 99 66

Government sites

Local Government Association

www.lga.gov.uk

Tel: 020 7664 3131

Department of Health

www.doh.gov.uk

www.direct.gov.uk/en/CaringForSomeone/DG_071391

Department for Work and Pensions

www.dwp.gov.uk or www.direct.gov.uk

Social Care Institute for Excellence

www.scie.org.uk

Tel: 020 7089 6840



Other guides in the series



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