



## Will the 2014 Care Act have any impact on my current financial position?

Financial support can be very important when taking into account healthcare and living costs. We have compiled this factsheet to explain what financial support is available in the Care Act regulations.

**Once an individual has had their needs assessed and has had some eligible needs identified, the local authority will need to determine whether it is obliged to provide services to meet those needs.**

Section 18 of the Care Act (for adults) and section 20 of the Care Act (for carers of adults) provides that a local authority is under a duty to meet eligible needs in the following circumstances:

- The adult is ordinarily resident in the authority's area
- The adult's accrued costs do not exceed the cap on care costs, and
- There is no charge for meeting the needs – or, in so far as there is a charge, one of the following conditions are met:
  - The adult's finances fall below the threshold at which they will need to pay towards the costs of their care
  - The adult's finances are above the threshold but they ask the local authority to meet their needs nevertheless; or
  - The adult lacks capacity to arrange for the provision of care and support but there is no person authorised to do so on their behalf.

Therefore before care can be provided to an individual, local authorities will need to establish whether the person's finances fall below the relevant thresholds. This means that some people will be eligible for care and support funded by the state, and others will not be.

This does not apply if the individual is entitled to s.117 aftercare under the Mental Health Act, or if they are eligible for NHS continuing healthcare. In those circumstances the costs of care will be met by the NHS and are free, regardless of the individual's financial means.

However in all other cases the local authority will need to carry out a financial assessment to determine whether it needs to provide support to that person.

### Financial assessment process

From April 2016 there will be significant changes to the way people are assessed for financial contributions towards the costs of their care. However, from 1 April 2015, the following rules will continue to apply:

- If an individual has capital (e.g. savings or investments) over £23,250, they will not be eligible for state funded care
- If they have capital less than £14,250, they will be eligible for state funded care
- If they have capital between £14,250 and £23,249, they will be eligible for state funded care but will need to pay a contribution towards those costs. This is assessed as being £1 for every £250 over the threshold of £14,250.

In relation to income, the following rules apply:

- For residents in a care home, an individual must be left with at least £24.40 per week as a personal allowance
- For individuals receiving support at home, they must be left with a minimum of:
  - £71.70 if they are between the ages of 18-25
  - £90.50 if they are over 25 but under pension credit age
  - £185.45 if they are pension credit age.
- Additional allowances and premiums apply to individuals also supporting dependent children, or in receipt of certain disability benefits.

The Care and Support (Charging and Assessment of Resources) Regulations 2014 sets out various items of income and capital that must be disregarded when the financial assessment is carried out. Some of the key points to note are the following:

- For domiciliary care (this means care being provided in your own home), the value of your property cannot be taken into account when the local authority considers how much money you have.
- The local authority must take into account any disability related expenditure you might need, for example you might need to spend more money on laundry or heating costs because of a disability, and therefore this should not be taken into account when the local authority is working out how much you should pay towards the costs of your care.
- The local authority cannot take into account any money held in a personal injury trust, or any damages from a personal injury award that are managed by a financial deputy, when assessing an individual's capital.

- For people in residential care, it is possible in certain circumstances to enter into a deferred payment scheme with the local authority, which means that instead of having to sell their home during their lifetime, the payment to the local authority can be delayed until a later date.

The rules relating to financial assessment are complex and the local authority will need to ensure that the assessment is properly explained. Where the local authority thinks that somebody may have substantial difficulty in understanding the assessment process, it will need to ensure that there is an appropriate person to support the person, or it will need to instruct an independent advocate.

An individual's finances cannot be taken into account before a needs assessment is carried out, and should have no bearing on the way that an individual's needs are assessed.

## Deferred payment schemes

From April 2015 there is also a universal entitlement to enter into deferred payment schemes with local authorities, under sections 34 and 35 of the Care Act. This means that a person in residential care could decide not to sell their home during their lifetime, or for a fixed period, but may prefer to enter into an agreement with the local authority which would entitle the local authority to put a charge onto their home.

## Changes from April 2016

From 1 April 2016, further changes to financial assessment will be introduced, including the introduction of a 'care cap' and an increase to the capital thresholds. This will mean that more people will be eligible for state-funded care. At the time of writing this factsheet, the proposals are still in draft, but broadly speaking it is proposed that:

- There will be a "cap" on the costs, and you would be required to contribute towards the costs of care. This cap will initially be set at £72,000. This means that an individual would not have to pay more than £72,000 towards the cost of care

over their lifetime. The cap will be lower for those people who develop eligible needs when they are still of working age and the cap will be set at £0 for people who have eligible needs when they reach 18 years old

- There would be an increase to the lower threshold for financial eligibility for state-funded care. It is currently proposed that this would be increase to £17,000. This means that individuals with assets valued at less than £17,000 would not need to contribute towards the costs of their care
- It is proposed that the upper threshold for financial assessment would be increased to £27,000
- It is proposed that the upper threshold for people in residential care would be increased to £118,000, as the value of their home would also be taken into account.

## Challenging financial assessments

If somebody does not agree with the way their financial assessment has been completed, they should speak to their social worker or seek a review/ make a complaint in the first instance. Legal advice is available where the calculations are still disputed.

“I was given very clear information and the degree of care and understanding was very good. They are very professional and attentive.”  
- Chambers & Partners, 2015

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