

**Budget Scrutiny Task Group  
21<sup>st</sup> November 2007****Capital Disregards****Purpose of Report**

1. To update Members on the matter of increasing capital disregard clients who qualify for financial assistance from the Local Authority to meet care home fees.

**Background**

2. Previous reports were presented to the group in October 2006 and March 2007 regarding the increasing numbers of service users who had “privately” placed themselves in care homes and due to a reduction in their savings became eligible for Local Authority financial assistance.
3. The Task Group asked for a further report to update Members on current trends and action taken to attempt to address this issue.

**Trends**

4. The table below indicates the situation with regard to the number of capital disregard residents who are funded by the Council over the past 3 financial years and up to 31 August 2007.

	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08 To 31.08.07</b>
Capital Disregards	68	71	94	33
Other	705	598	567	295
% CDs	8.8	10.6	16.6	11.2

5. The trend did increase for the last financial year but this can, to some extent be explained by the Department's funding difficulties where the number of placements were restricted but there was no choice but to accommodate the capital disregard residents and therefore the proportion was higher for that year. For the first part of this current financial year the numbers seem to be returning to the level for the previous 2 financial years.

### **Information to Self Funders**

6. There are a number of sources of information to a resident who wishes to enter a care home. The Council has updated the text in the care homes directory which is produced annually, jointly by the County Council and the local Care Home Association to inform prospective residents of the implications for funding care where costs may exceed the levels paid by the Council.
7. Age Concern is also involved in providing information to self-funders as indicated in previous reports to make prospective residents aware of potential future funding issues where care fees are above those normally paid by the Local Authority.

### **Discussions with the Care Homes Association**

8. The Council has held further talks with the Care Homes Association regarding the issues presented to the Council by residents in care and where fees are above that normally expected to be paid by the Council. They have agreed and continue to distribute letters prepared by the Council identifying the potential future problems when care fees exceed that paid by the Local Authority. It has also been accepted by the Care Home Association that their members will need to negotiate with the Council where fees are above our normal levels in order for the Council to confirm value for money.

### **Current Arrangements to Alleviate Potential Funding Issues**

9. Where a resident approaches the Council when their finances reach, or are about to reach the funding threshold of £21,500 the Council will open negotiations with the care home in an attempt to agree a care fee that the Council considers appropriate. This is often successful.
10. On occasions where the care home will not agree to accept a fee at the level which the Council considers appropriate, a third party is sought ie. family, friend, charity etc to meet the shortfall and this can often occur.
11. If neither of the above options is successful the Council would then consider whether it is appropriate to consider moving the client to a less costly home. This would not happen without a risk assessment obtaining the views of family members in order to consider whether this "last resort" option is appropriate. The Council has moved residents in the past but only on rare occasions. If the risk assessment indicates that the move would not be appropriate, the Council would then have to meet the fees above that which it would normally be expected to pay.

### **Budget Implications**

12. There is not a separate budget for service users who require Local Authority support when their capital reduces to the prescribed minimum level. The Department has a placement budget which is fully committed at the start of the year.
13. The demand for care home places is being covered by the Older People's Accommodation Strategy which has been allocated £150,000 from the corporate development budget. This is likely to result in a commissioning strategy which will re-shape service provision around more nursing care placements, less residential, more extra care housing, services to prevent hospital admission and reablement to help people to live in their own homes.

### **Future**

14. We are working to develop the "Brokerage Team" in the Department to offer advice to self-funders regarding the issues of paying for care and subsequently seeking Local Authority financial assistance and the care homes directory will be amended to indicate this additional advice that can be obtained through the Council.

### **Recommendation**

15. To note the content of this report.

**Pete Little – Principal Finance Officer – Finance Administration Section, DCS**  
**Keith Hillman, Assistant Director Resources, DCS**

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Unpublished documents relied upon in the preparation of this report:-