

**REPORT OF CABINET MEMBER FOR ADULT SOCIAL CARE AND HEALTH**

**SELF FUNDERS: FINANCIAL ADVICE AND FUTURE STRATEGY**

**Purpose of the Report**

1. The purpose of the report is to:
  - a. update on the work with self-funders.
  - b. recommend that the authority sign-posts the public to Paying for Care to receive appropriate information and advice about self funding.
  - c. seek approval to market and sell the care home bed monitoring system.

**Information and Advice**

**Background**

2. Under the National Assistance Act 1948, local authorities may decide to arrange for the provision of residential accommodation to those who meet assessed needs. The authority is then required to pay for this care for those whose assets fall below a nationally defined level; currently £23,250.
3. If people have more than £23,250 in capital (savings and investments) they self-fund the cost of their care home placement until their capital falls below £23,250. When this happens the responsibility for the funding is picked up, by the local authority, on a tapering basis. This will result in the person having fewer savings and assets to leave on their death.
4. In Nottinghamshire, based on data provided by Care Homes, it is estimated that 1,500 people are currently self-funding. From the council's own data approximately 150 people each year will approach the Council to pick up the cost of their placement.
5. Research suggests that only 10% of self-funders seek appropriate care fees planning advice in order to maximise the use of their assets, which can better enable them to fund their care for the entire duration of the placement.
6. The council offers all people who self-fund a Community Care Assessment. A Community Care Assessment determines people's social care needs and what support is available to meet them. People who self-fund seldom take-up the opportunity. As a result people only approach the authority for support when their funds are almost exhausted.

7. In August 2010, the National Director for Social Care Transformation requested that Councils promote advice services to self-funders to ensure people are better informed, both as a benefit to themselves and to reduce the pressures of self-funders running out of money and then falling on Councils for financial support.
8. Councils were asked to promote the information on the [Moneymadeclear](#)<sup>1</sup> website and information about Society of Later Life Advisers (SOLLA). SOLLA is a not-for-profit organisation that was established to ensure consumers are better informed about financial issues of later life and can find an Accredited Adviser. A number of advisers also have expertise in younger adults. There is a link to these services from the Moneymadeclear website.

## **Paying for Care**

9. To provide self-funders with appropriate care fees advice, it is recommended the Council sign-posts the public to advice on the Paying for Care website.
10. Paying for Care is an advice website developed by Partnership<sup>2</sup> that was launched in 2011. The website is designed to help individuals make more informed decisions about the arrangements and funding for their long-term care.
11. Paying for Care is a not-for-profit organisation. It is unique in the marketplace as it provides holistic information and advice on all matters relating to long-term care plus detailed guidance on funding eligibility criteria. This allows customers to directly engage with independent Later Life Accredited Care Fees Specialists if they wish to seek specialist care fees planning advice (financial advice).
12. Paying for Care provides balanced, up-to-date advice on the complex subject of long-term care, specifically payment for care, through careful, continuous research and collaboration with independent care experts and respected support organisations. As part of this, people can engage directly with an independent Care Fees Adviser via a multitude of mediums including an innovative real-time online chat facility.
13. In order that the public receives appropriate care fees advice, it is proposed that Nottinghamshire County Council sign-posts people who need care fees advice to Paying for Care through the Customer Service Centre, the Council's website, information sheets and through communication.

## **Benefits**

14. All self-funders will have access to information and advice regarding their care needs and options for care, plus independent care fees planning advice. This will assist them in making informed arrangements for their long-term care, where appropriate, with the aim of being able to self-fund their care for the entire duration of the placement. This will reduce the need for people to approach the Council for the funding of their placement when they reach the £23,250 threshold.

## **Progress Made**

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<sup>1</sup> Moneymadeclear is the money guidance service of the Consumer Financial Education Body.

<sup>2</sup> Partnership is the longest established UK insurer specialising in the design and manufacture of financial products.

15. The Council has raised the awareness of the public and Care Home owners on the support available to people who self-fund through a number of presentations and has reviewed the information the Council provides to the public. This has included:

- all key staff involved in assessment and care management
- key stakeholders
- distribution of information for self-funders
- agreement with the two Primary Care Trusts that lead nurses involved in determination for nursing care levels will provide Nottinghamshire County Council information outlining the support available
- distribution of literature to all providers/relevant agencies
- publicity about the service through a media pack.

### **Finding a Care Home Solution**

16. As a consequence of the above, the numbers of people seeking advice did initially increase. However, in order to ensure that public receive appropriate care fees advice the Council awarded a contract to Capita IB to develop a software solution that will monitor and record the occupancy and vacancies of beds within care homes in Nottinghamshire.

17. The Council implemented the care home bed monitoring system from March 2012 for care homes for older people with a planned full roll-out to care homes for younger adults by August 2012.

18. The system is a web-based system, and will enable people to search for all care homes in Nottinghamshire and find out how many beds are available at any moment in time.

19. Through this software the Council will receive details when a self-funder has entered a care home and the system also automatically reminds care homes of the importance of self-funders obtaining advice.

20. The software will also send a notification to Paying for Care notifying them that an unnamed self-funder has entered the care home. Paying for Care will then arrange for an independent Care Fees Adviser to contact the care home seeking permission to meet with the new self-funder.

### **Marketing the Software**

21. It is proposed that the County Council works with Capita IB to market and sell the care home bed monitoring system to Health and other local authorities. The realisation of income will be dependent on the take-up by other local authorities. The initial interest has been positive from other Councils.

### **Issues for Consideration**

22. Regulation – Independent Financial Advisers (IFA's) are regulated by the FSA. There are strict rules on liabilities and mis-selling. Under its regulations, Councils are classified as an 'Exempt Introducer' and therefore no liability attaches to the Council for poor or fraudulent advice.

23. Fees and Costs – The Retail Distribution Review (RDR) is a new piece of regulation from the FSA which becomes Law on 1<sup>st</sup> January 2013. It will essentially change how financial advisers charge for advice. The RDR is intended to abolish commission from the sale of Retail Investment products on an advised basis (which includes care fees annuities). Commission is to be replaced by ‘adviser charging’ which will need to be agreed up front with the customer. Fees can be paid separately or deducted from the client’s investment/annuity. It is recommend that we specify that Paying for Care only use Advisers that operate a fee charging structure.

### **Other Options Considered**

24. The alternative is not to take any action. However, this would not ensure the public receives care fees advice to increase their ability to enhance the use of their income or assets.

### **Reason/s for Recommendation/s**

25. It is difficult to predict how many people will be able, or want to benefit from care fees advice. It is expected that the Council would be able to reduce future financial expenditure by making fewer placements for people previously placed on a self-funded basis. The objective is to increase the numbers of self-funders who receive care fees planning advice in line with Government expectations.

### **Statutory and Policy Implications**

26. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Human Resources Implications**

27. Assessment and Care Management staff will give information about Paying for Care, Moneymadeclear and SOLLA and inform people of their right to an assessment to self-funders. If people entering care as self-funders request an assessment this will have implications on Assessment and Care Management staff time and this will vary from district-to-district. However, it is anticipated that the number of self-funders requiring assessment for funding because the department is assuming responsibility will decline over a period of time. These changes and their impact will be monitored.

### **Financial Implications**

28. There is a potential to decrease the number of self-funders requiring financial support from the authority in the long-term. This will be dependent upon the number of people taking out a financial plan.

29. The software will also provide back-office efficiency savings through electronic payments to care homes, which are still to be quantified. In addition, as the County Council owns the

intellectual property rights of the software, there is the potential to generate a small amount of income when/if other local authorities or Health organisations adopt the process.

30. There are no costs to the Council in sign-posting people to Paying for Care.

### **Equalities Implications**

31. The recommendations will allow the authority to provide a service to a larger section of the population who self-fund the cost of long-term care.

### **Implications for Service Users**

32. Service users would be able to make informed decisions about their long-term care. Some service users may be able to benefit financially by maximising their assets and from taking out care fees plans if appropriate.

### **Human Rights Implications**

33. The proposals are particularly concerned with respect for the private and family lives of people in need of care and attention and are intended to achieve an improvement in the financial security enjoyed by the service users and their relatives.

## **RECOMMENDATION/S**

It is recommended that Nottinghamshire County Council:

- 1) continues to sign-post information about moneymadeclear and SOLLA to self-funders currently in or likely to enter long-term care
- 2) sign-posts the public and Care Homes with self funding customers to Paying for Care and specify that Advisers must operate a fee charging scheme
- 3) works with Capita IB to market and sell the care home bed monitoring system.

### **COUNCILLOR KEVIN ROSTANCE**

**Cabinet Member**

**Adult Social Care and Health**

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### **Constitutional Comments (CEH 18/04/2012)**

34. The County Council has the power to consider and decide upon the recommendations set out in the report. The Council will need to ensure that:

- a. it complies with its obligations under the Data Protection Act at all times in respect of self funders information; and
- b. it remains an "Exempt Introducer" under the FSA's rules through periodic monitoring.

### **Financial Comments (RWK 29/11/2011)**

35. The financial implications are set out in the report.

### **Background Papers**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Cabinet paper – 12<sup>th</sup> December 2001 (previously published).
- Delegated Decision January 2010 – AC/2010/00012 (previously published).
- Delegated Decision September 2010 - AC/2010/00014 (previously published).

### **Electoral Division(s) and Member(s) Affected**

All.

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