

Appendix 1 - Cap and Care Account Case Studies

A self-funder registering for the cap

Ted is 74 years old. He has Parkinson's disease and dementia and lacks capacity. He was receiving care at home provided by his wife with support from care workers from a private company. He was funding this care himself because he had savings in excess of the upper capital limit and therefore did not qualify for local authority support.

On 1 April 2016, Ted moves into a local care home at a cost of £900 per week. He has a property worth £430,000, but as his wife continues to live there it is disregarded for the purposes of the financial assessment. At this point, Ted has £50,000 in savings. As this exceeds the new upper capital limit of £27,000, he does not qualify for means-tested support. Ted will therefore continue to meet his care and support needs himself.

As Ted is a self-funder, his wife (who has lasting power of attorney) contacts the local authority on his behalf to register for a care account on 2 May 2016. The local authority conducts a needs assessment on 1 June 2016 and determines that Ted has eligible care and support needs which would continue to be best met in a care home. The local authority determines that the cost of meeting Ted's eligible needs, if they were required to do so, would be £750 per week including daily living costs.

The amount attributable to daily living costs for people in care homes set down in the regulations is £230 so the amount the local authority would pay for the care element to meet Ted's eligible care and support needs is £520 per week.

The local authority provides Ted with an independent personal budget reflecting these figures and creates a care account which tracks his progress towards the cap at a rate of £520 per week. Ted begins progressing towards the cap from the date his wife approached the local authority on his behalf (2 May 2016).

Ted	Weekly Cost	Year												
		1	2	3	4	5	6	7	8	9	10			
Top Up	£150													
Local Authority Rate less Living Costs	£520	2.65 years @ £520/wk												
Living Costs	£230													
Total	£900													

Key	Self-funded for life	Contribution limit i.e. £72,000 cap	State Funding Support
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A self-funder registering for and reaching the cap

Joe is aged 80 and has recently had a stroke. He is assessed as having his needs best met in a care home.

He contacts his local authority and registers for the cap. He does not benefit from a property disregard but his assets are still above the upper capital limit. As a result he does not receive local authority support. He has assets of £250,000 and an income of £390 per week, including the new State Pension and Attendance Allowance.

The local authority determines that if it were meeting Joe's needs, they would be best met in a care home that costs £650 per week. The local authority provides Joe with an Independent Personal Budget which sets out that the cost of care to meet his needs would be £420 per week.

Joe therefore progresses towards the cap at £420 per week. He reaches the cap in just under 3.3 years. His assets remain above the relevant upper capital limit of £118,000.

When Joe reaches the cap, the local authority becomes responsible for paying to meet his eligible care and support needs. Having previously discussed his options with the local authority, Joe chooses to maintain his contract with the care home and for his needs to be met by the local authority in the form of a direct payment at £420 per week. Joe continues to meet his daily living costs of £230 per week and chooses to continue to meet the remaining £150 per week as a top-up for his preferred choice of accommodation.

Joe	Weekly Cost	Year									
		1	2	3	4	5	6	7	8	9	10
Top Up	£150										
Local Authority Rate less Living Costs	£420	3.3 years @ £420/wk									
Living Costs	£230										
Total	£800										

Key	 Self-funded for life	 Contribution limit i.e. £72,000 cap	 State Funding Support
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A local authority supported person registering for and reaching the cap

James is 85 and has been assessed as having eligible care and support needs that are best met in a care home. Following a care and support planning process, James is given a personal budget of £550 per week, including daily living costs and moves into a care home.




James does not own his own home but does have savings of £30,000. As a result he is eligible for local authority financial support. He also has a weekly income of £255.

James meets his daily living costs of £230 per week from his income, leaving him with the personal expenses allowance (PEA). Tariff income is applied to his savings which shows he can afford to contribute £52 per week towards the cost of his care, meaning the local authority pays the remaining £268 per week.

However, he progresses towards the cap at a rate of £320 per week – the cost of meeting his eligible needs for care and support set out in his personal budget, minus daily living costs.

He reaches the cap after 4.3 years, having spent £11,683 in total. After he reaches the cap he remains responsible for his daily living costs which he continues to meet from his income.

James	Weekly Cost	Year											
		1	2	3	4	5	6	7	8	9	10		
Local Authority Contribution	£268												
Local Authority Rate less Living Costs	£52	4.3 years @ £320/wk											
Living Costs	£230												
Total	£550												

Key	 Self-funded for life	 Contribution limit i.e. £72,000 cap	 State Funding Support
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


A self-funder registering for and reaching the cap

Eleanor is 80 and receiving care and support in a care home. Her IPB sets out that a care home place to meet her needs would cost the local authority £600 per week. It also sets out that she remains responsible for paying a notional amount for Daily Living Costs at £230 per week. Eleanor chose to enter a care home which charges £675 per week and progresses towards the cap at a rate of £370 per week.

As Eleanor approaches the cap the local authority alert her in her care account statement and approach her to discuss how she would like her needs to be met after she hits the cap. Eleanor decides that she would like the local authority to take over arranging her care and this is reflected in her care and support plan. As Eleanor has remaining assets of £120,000 the local authority also agrees that it is sustainable for Eleanor to pay a top-up to remain in the care home of her choice.

Eleanor hits the cap after just over 3.7 years and the local authority provides her with a personal budget based on the agreed care and support plan. The local authority takes contractual responsibility for Eleanor's care and pays her care costs of £370 per week. Eleanor remains responsible for paying her daily living costs at £230 per week and a top-up payment of £75 per week.

Eleanor	Weekly Cost	Year									
		1	2	3	4	5	6	7	8	9	10
Top Up	£75										
Local Authority Rate less Living Costs	£370	3.7 years @£370/wk									
Living Costs	£230										
Total	£675										

Key	 Self-funded for life	 Contribution limit i.e. £72,000 cap	 State Funding Support
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Notes

The above case studies are for illustrative purposes only and taken directly from the Draft Guidance. The graphic illustrations were developed locally. The Local Authority rates used are those used in those examples and are not necessarily similar to the rate that Barnet will apply.

It is appropriate to point out that there are some non means-tested benefits which are available to those in residential care, including the state pension, which can help fund general living expenses.