



Doncaster
Council

Fact Sheet

Self-funder Fact Sheet

This FACT sheet has been written to provide guidance to people who have enough assets to self-fund their own care direct with their chosen care home, without the need for assistance from Doncaster Council. If a person needing the care lacks capacity to manage their own financial affairs and there is no-one with legal powers (Lasting Power of Attorney or Deputy) advice should be sought from a Solicitor or other independent advisor (please see below for more information about this)

Criteria for a self-funder:

1. You own a property either in your own name or jointly with someone else and your share of the property is worth more than £23,250.

If the only property owned is your home and it is jointly owned by your spouse, who will continue to live in the property, its value will be ignored on the financial assessment. See below for further information about properties.

2. Have savings in bank accounts or investments that total more than £23,250?
3. Have income that is sufficient to pay the care home fees, without needing any financial contribution from the Council.

Capital limits

For the year 1 April 2019 to 31 March 2020, the capital limit set by the Government is **£23,250**. This means that if you have money in bank accounts or investments that is greater than this amount, you will be classed as a self-funder. As well as money in bank accounts, the following assets will be included when determining the level of a person's capital. The following list is not exhaustive:

- The value of any funeral plan.
- The value of a former home (but see further information below about properties).
- The value of any second property owned.
- Any other investments such as stocks, shares, premium bonds and so.

Attendance Allowance

If you are not eligible to receive financial assistance from the Local Authority towards your care fees, you should make a claim for Attendance Allowance. Claiming this benefit will preserve your capital by increasing your weekly income and thereby reducing the amount of capital you need to make up the full cost of care. If you have previously claimed this benefit but it is in suspense, you should make a request for it to be reinstated.

Properties and the 12 week disregard

If your stay in residential care is going to be long term, any properties that you own are treated as a capital asset. The value of a property that was your former home will **not** be taken into account for the first 12 weeks of a stay in residential care. Also, the value of the property will not be taken into account if it was occupied before someone moved into care by:

- A partner
- A lone parent who is the estranged or divorced partner of the service user
- A member of the service user's family who is
 - Aged 60 or over

- Their child and is under 18 years of age
- Incapacitated and receiving disability benefits.

The Deferred Payments Scheme

The Deferred Payments Scheme is designed to help those people who have been assessed as having to pay the full cost of their long term care but cannot afford to pay the full weekly charge immediately because most of their capital is tied up in their home. Signing up to a Deferred Payment Agreement enables Doncaster Council to:

- defer the payment of charges due for the costs of meeting needs in a care home or supported living accommodation or
- defer the repayment of a loan paid out in instalments, to cover the costs of care and support in a care home or supported living accommodation

This means that people do not have to sell their property to pay for care during their lifetime if you they do not want to.

Eligibility for the Deferred Payment Scheme

You can apply for the scheme if you have:

- Capital (excluding the value of your property) of less than £23,250;
- You have been professionally assessed as having eligible care needs that will be met through the provision of long term residential /nursing care in a registered care home;
- You own or have part legal ownership of a property, which is taken into account in the financial assessment and for which there are no other beneficial interests registered, for example outstanding mortgages or equity release schemes, unless this is approved by Doncaster Council.
- The property is registered with the Land Registry. (If the property is not registered, this must be arranged by you or your representative at your own expense)
- You must have the mental capacity to agree to a deferred payment agreement or have a legally appointed agent willing to agree to this.

As part of a Deferred Payment Agreement, you will also need to:

- Have a responsible person willing and able to ensure that necessary maintenance is carried out on the property to retain its value. (You are liable for any such expenses.)
- Insure the property at your own expense.
- Pay a regular contribution, to the Council, that you have been assessed as being able to afford from your other income or assets.

If the Council is contracting with the care home on your behalf because you are eligible to enter the deferred payment agreement, the Council will contract at the rate that the care home is charging and allow the part of the cost that you cannot afford to accrue. This will be subject to checks to ensure that the arrangement is sustainable and you can maintain this arrangement based on your means, including the equity in your property and the cost of the care home.

Charges and interest incurred on a Deferred Payment Agreement

The Council is allowed to charge interest on the deferred amount in the same way a normal loan would be charged on money borrowed from a bank. The maximum interest rate that can be charged is fixed by the Government. The maximum rate charged is based on the cost of government borrowing, and will change on 1st January and 1st July every year. Interest will apply from the day you enter into the Deferred Payment Scheme. . Doncaster Council will apply interest on a compound basis annually.

As well as charging interest on the accruing debt, the Council is allowed to charge for any expenses it incurs in setting up a Deferred Payment Agreement such as the cost of placing a legal charge on a property.

There is a separate document that sets out these fees, which are subject to change.

PLEASE NOTE:

A deferred payment agreement is only one way to pay for care.

The following websites contain useful information, including how to find independent financial advice:

www.payingforcare.org

www.societyoflaterlifeadvisers.co.uk