

Response to Request for Information

Reference: FOI 2988
Date: 9 July 2013
Type of request Freedom of Information Request

Adult social care - charges avoidance

Background

The Council and the public are well aware of the rising number of elderly people and the rising cost of their care, which is grudgingly financed by the Council and the public.

As we get near to the age when we will need care, we find ourselves targeted by financial consultants offering financial planning and care fees protection, euphemisms for tax avoidance, so that those who believe in meeting their obligations have to subsidise those who don't.

Questions

1. Has the Council estimated the loss to the public finances in Cambridgeshire by the disposal of assets, prior to an application for care being made?

My first question is intended to get confirmation of whether or not there is any official or informal estimate of the losses created by the disposal of assets, and if the Council is already seeking to address the issue, perhaps by refusing to pay care charges for those people who have wilfully disposed of their assets.

Cambridgeshire County Council does not hold information on estimated losses through disposal of assets.

Regarding how the Council might address the issue of people wilfully disposing of assets, please see the answer below.

2. What steps is the Council taking to minimise these losses to the public purse? [clarified to cover matters such as: what the Council is doing to make up the loss of funds caused by people disposing of their assets. What the Council is doing to prevent people disposing of their assets, or what steps the Council is taking to prevent people relying on the Council to pay for their care after having disposed of their assets].

The emphasis needs to be not on whether the Council is failing to deal with the issue, but on whether Central Government needs to give Local Authorities additional powers.

When a person approaches the Local Authority for funding of a permanent residential placement a financial assessment is undertaken to determine whether it is appropriate for funding to be considered, i.e. that a person's capital level has reduced or is below £23,250 the current Department of Health upper capital threshold. The financial assessment team look at the date that the Authority was contacted for funding and investigate the level of capital held by

the individual at that point. They will also look at how long a person has been self-funding if they have been in a placement for some time and what the original level of capital held was at the time of the placement.

The Finance and Benefits Assessor (FABA) will then calculate, using the person's capital, income and care home fees (at the self-funding rate) to see if the level of capital at the point of contact is what they would expect taking account of care home fees.

If a person approaches the Local Authority and has not been self funding in a placement the FABA will still investigate previous capital levels, verify bank statements, see if property was previously owned etc.

Any discrepancy will be investigated for possible deprivation of capital assets. If deprivation is suspected further investigations will be undertaken and the financial assessment case will be presented to the Local Authority's Finance and Properties Issues Panel for a decision as to whether deprivation has occurred. If deprivation is the outcome, and dependent on the sums involved various options are considered in line with the Department of Health's Charging for Residential Accommodation Guide (CRAG):

- Refuse funding
- Leave the person paying full cost and invoice them directly
- Take a legal charge on a property
- Notional Capital (treating the person as if they still own the capital asset)
- Repayment of funds to the person by a family member (where money was gifted etc)
- Dependent on the circumstances a safeguarding issue may be raised.

In relation to people in the community the Department of Health Guidance does not specifically refer to deprivation and we do not have this in our current Contributions Policy - however as this is under review it is something that we should, and hopefully will, consider.

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