Independent ageing 2013

Council support for care self-funders

partnership
seeing retirement differently

LGiU
the local democracy think tank

Contents

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Without effective support for self-funders the entire structure of social care is at risk

Introduction

More than 50 per cent of older people pay in full or in part for residential and nursing care.[1] In the past, local authorities tended to focus their attention on people whose care they fund directly and neglect the needs of self-funders. However, with full self-funders approaching half of care home residents, local authorities increasingly recognise their importance. Not only do they make a crucial contribution to funding care, they also support a vibrant market of care provision on which the entire system depends. Without effective support for self-funders the entire structure of social care is at risk.

There are key financial, democratic and legal reasons why self-funders are important to local government. First, in financial terms, **self-funders who deplete their assets are a potential cost for councils**. Under the current system, councils pay part of the cost of care for self-funders whose assets fall between £23,250 and £14,250 and the full cost below £14,250. On the basis of council data, the LGiU has calculated that on average 24 per cent of self-funders of residential care fall back on state support at a cost to councils in England of £425m in 2011-12. This cost is more than four times the £104m worth of service reductions that adult service departments will make in 2013-14.[2]

1 Laing and Buisson (2013) *Care of Elderly People UK Market Survey 2012/13*
2 Association of Directors of Adult Social Services (2013) *ADASS Budget Survey 2013*

Second, in democratic terms, **older people who pay for their own care represent a growing number of vulnerable residents who, in many cases, experience significant hardship**. Making choices about care and support and deciding how to pay for it can be a difficult, confusing and expensive experience for many older people. In research conducted for this paper, the LGiU found that councils estimate that 45 per cent of people in residential care in their local authority area are self-funders.

Third, from a legal perspective, **the Care Bill will recognise in law the importance of self-funders**. An increasing number of councils, as the case studies in this report show, are already working to support older people who pay for their own care. However, going forward, legislation will require all authorities to improve support for self-funders. The burden on local authorities should not be underestimated given that this will be set against a background of increasing cost control and demography.

Councils can reduce the cost of older people who pay their own care, improve quality of life for vulnerable older people and meet local government's new legal duties by helping people make the best decisions about choosing and paying for care and support.

Deciding how to pay for care and support can be a difficult process. Older people need to know about the costs of care, state benefits, local government support and sources of appropriate financial information and advice. Independent regulated financial advisers are best placed to help individuals make decisions about paying for care. The King's Fund has argued that financial information and advice can help older people to avoid making "disastrous" decisions about funding care that have a human and financial cost for councils and older people.[3]

In 2011, the LGiU assessed local authority support for older people making decisions about choosing and paying for care and support in its report *Independent Ageing*.[4] We found that despite some good practice, there was not nearly enough help offered to self-funders leading to poor outcomes for individuals and increased costs for local authorities. To bring these findings up to date, and provide a state of the nation picture of council support for self-funders, the LGiU has undertaken a new quantitative survey and qualitative interviews with adult services departments.

The following chapters provide an overview of the adult social care system in 2013, an assessment of the number and cost of self-funders still falling back on state support, an assessment of current council support for self-funders and a series of recommendations based on best practice from leading authorities. Comparisons with the 2011 findings are included throughout.

Key findings

- 24 per cent of self-funders of residential care exhaust their resources and fall back on state funding.
- Self-funders of residential care falling back on state funding cost councils £425m in 2011-12.
- The cost of self-funders of residential care falling back on state funding is more than four times the £104m worth of service reductions that adult service departments will make in 2013-14.

3 All Party Parliamentary Local Government Group (2012) *Care Now and for the Future*
4 LGiU (2011) *Independent Ageing*

- It is estimated that 40 per cent of self-funders in residential care would benefit from an existing financial product to protect their assets.

- Council awareness and support for self-funders has improved significantly since 2011:
  – 59 per cent of councils know the number of self-funders falling back on local government funding (up from 39 per cent in 2011)
  – 100 per cent provide basic financial information following a care needs or financial assessment (up from 55 per cent in 2011)
  – 47 per cent provide referral to a firm or panel of independent regulated financial advisers at or following a care needs or financial assessment (up from six per cent in 2011).

- There is also **significant further improvement** required in council support for self-funders:
  – almost one in four people are unaware that they may have to pay for their own adult social care
  – 50 per cent of authorities do not provide referral to an independent advice and advocacy service *before* a care needs or financial assessment as the Care Bill is expected to require when it receives Royal Assent
  – Only 17 per cent of authorities refer self-funders to a firm or panel of independent regulated financial advisers before they receive a care needs assessment or financial assessment. *(See chart on p21)*

There is, however, significant variation in the quality of referrals made by councils. As the case studies in this report show, successful authorities put in place a clear process and monitor the number and outcome of referrals.

57 per cent of all older residents of independent sector care homes in the UK pay in-full or in-part for care

Adult social care: state of the nation

Adult social care is a critical component of our healthcare system. As our population ages, and the number of older people requiring care and support expands, its importance will only increase. It is largely local government that funds, commissions and provides adult social services. The following section provides a brief "state of the nation" picture of the adult social care system. Key trends include a shift towards self-funding, significant resource and demand challenges and a move from efficiency savings to service withdrawals.

Adult service users

Local authority adult social care services are a vital source of support for hundreds of thousands of working age adults and older people with physical difficulties, learning disabilities and mental health problems.

- 1.46 million adults received local government adult social care services in 2011-12.[5]

- 67 per cent of adult service users in 2011-12 were adults aged over 65.[6]

5 The Health and Social Care Information Centre (2013) *Community Care Statistics, Social Services Activity – England, 2011-12*
6 ibid

- 800,000 older people received local government-funded community-based services, 167,000 received residential care and 78,000 received nursing care in 2011-12[7]

Adult social care expenditure

The financial health of the adult social care system is increasingly dependent on both the ability of the state and older people to pay for care. Local authorities can only provide the current volume and quality of services to state-funded residents within the current spending envelope because of financial contributions from self-funders.

- Adult social care accounts for around one-third of local government expenditure.[8]

- Local government spent a net £14.75bn on adult services of which £3.09bn was net expenditure on residential and nursing care for older people in 2011-12.[9]

- 43 per cent of people in residential care paid the full costs of their care fees in 2012 according to estimates from care market specialist Laing and Buisson.[10] Similarly, in research conducted for this paper, the LGiU found that councils estimate that 45 per cent of people

7 ibid
8 Association of Directors of Adult Social Services (2013) *ADASS Budget Survey 2013*
9 The Health and Social Care Information Centre (2013) *Personal Social Services: Expenditure and Unit Costs*
10 Laing and Buisson (2013) *Care of Elderly People UK Market Survey 2012/13*

in residential care in their local authority area are self-funders.

- 57 per cent of all older residents of independent sector care homes in the UK pay in-full or in-part from their own or their families' resources.[11]

- 14 per cent of people in care "topped-up" council funding with money from family or friends.[12]

- There is a significant gap between the rate that local authorities will pay for care and the rate that self-funders pay. On average, according to Laing and Buisson, English councils are paying £140 per week less than the estimated "fair market price".[13]

Resource constraints

The current spending review was the toughest financial settlement for local government in living memory, requiring local authorities to make savings of 30 per cent. In June 2013, the Chancellor announced a further 10 per cent reduction in the local government resource budget for 2015-16. Adult services budgets, which account for one-third of local government spending, have reduced substantially.

- £2.68bn savings or 20 per cent of net spending will be made by adult services departments between 2011-12 and 2013-14.[14]

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11 ibid
12 ibid
13 ibid
14 Association of Directors of Adult Social Services (2013) *ADASS Budget Survey 2013*

Rising demand

Life expectancy in the developed world is increasing at a rate of two years per decade. The cost of this demographic change is real and immediate for local government.

- The number of people over the age of 100 will increase a hundredfold to one million over the next 60 years.[15]
- People live with chronic illness for an average of eight years at the end of their lives.[16]
- Demographic change is costing councils three per cent of 2013-14 budgets.[17]
- Only 76 per cent or £282m of funding required to fund demographic change will be provided by local authorities in 2013-14.[18]

Local government response

As shown above, local authorities face a challenging combination of increased demand and decreased resources. Local authorities are, to a large extent, reforming services to ensure that service levels to older people are maintained. However, local authorities are meeting the limit of what efficiency savings can deliver.

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15 Brown, G (2007) *The Living End*
16 ibid
17 Association of Directors of Adult Social Services (2013) *ADASS Budget Survey 2013*
18 ibid

- 82 per cent of the £800m planned savings to adult social care budgets in 2013-14 will be made through efficiencies.[19]

- 5 per cent or £36m of savings will be made through increased income from charging.[20]

- 13 per cent or £104m of savings will be made through service reductions.[21]

19 ibid
20 ibid
21 ibid

The cost of self-funders of residential care falling back on state funding imposes a significant financial burden on adult services budgets

Self-funders falling back

The cost of self-funders of residential care falling back on state funding, particularly in the current resource context, imposes a significant financial burden on adult services budgets.

The LGiU estimates that 24 per cent of self-funders of residential care exhaust their resources and fall back on state funding at a cost to councils in England of £425m in 2011-12. This cost is more than four times the £104m worth of service reductions that adult service departments will make in 2013-14.[22]

Self-funders falling back on state funding

Self-funders are a potential financial liability for local government. Under current arrangements, councils become responsible for paying for care for self-funders whose assets drop below £23,250. Councils pay part of the cost between £23,250 and £14,250 and the full cost below £14,250.

As outlined on page 14, the LGiU has found that the number and cost of self-funders of residential care falling back on state funding are significant.

22 Association of Directors of Adult Social Services (2013) *ADASS Budget Survey 2013*

Awareness of number of self-funders falling back

Councils increasingly recognise that self-funders are a potential financial liability for local government and have undertaken an assessment of the risk that it poses. In 2013, 59 per cent of councils knew the number of self-funders falling back on local government funding. In contrast, in 2011, the LGiU found that levels of awareness of the impact of self-funders falling back on local government funding were patchy. Only 39 per cent of respondents knew how many self-funders in their authority fell back on state funding.[23]

Local government's improved understanding of the number of self-funders falling back reflects policy developments since 2011. This renewed interest has been driven by the continuing tough financial position for local government, independent reports from the Law Commission and the Dilnot Commission and more recently the government's Care Bill.

Proportion of self-funders falling back on state support

Local authority assessments indicate that the number of self-funders of residential care who fall back on state funding is significant. On the basis of data submitted by local authorities, the LGiU has calculated that the proportion of self-funders who exhaust their own resources and fall-back on state funding. The LGiU calculates that on average 24 per cent of self-funders fall-

23 LGiU (2011) *Independent Ageing*

back on state support. In 2011, the LGiU put this figure at 25 per cent.[24]

Cost of self-funders falling back on state support

The cost of self-funders of residential care falling back on state funding, particularly in the current resource context, imposes a significant financial burden on adult services budgets. The LGiU calculates that this cost councils in England £425m in 2011-12. This cost is more than four times the £104m worth of service reductions that adult service departments will make in 2013-14.[25] As a result, as ADASS has argued, some service users will "be affected by serious reductions in service".

In 2011, based on figures for 2009-10, the LGiU found that self-funders of residential care falling back on state funding cost councils £490m.[26] £32m of the £65m decrease between the 2013 LGiU estimate, and the 2011 estimate, reflects the annual 6.6 per cent reduction in spending that councils will make between 2011-12 and 2013-14.[27]

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24 LGiU (2011) Independent Ageing
25 Association of Directors of Adult Social Services (2013) *ADASS Budget Survey 2013*
26 LGiU (2011) *Independent Ageing*
27 Association of Directors of Adult Social Services (2013) *ADASS Budget Survey 2013*

Falling back on state funding for residential care is avoidable

Self-funder support: state of the nation

Local authorities are working to improve access to financial information and advice. In 2013 (as shown in the chart on p21), the LGiU found that 50 per cent of authorities provided referral to an independent advice and advocacy service *before* a care needs or financial assessment. In contrast, in 2011, the LGiU found that only a third of councils provided referral to an independent advice and advocacy service at this stage.

However, although this is a real improvement, the remaining 50 per cent of authorities that do not provide referral to an independent advice and advocacy service before a care needs or financial assessment face a significant challenge. Once the Care Bill receives Royal Assent it is expected that local authorities will be required to provide independent advocacy and support, including access to financial advice, to people and not just those with assessed care and support needs.[28]

The vast majority of local authorities face a pronounced challenge in providing early access to regulated independent financial advice. Only 17 per cent of authorities refer older people to a firm or panel of independent regulated financial advisers before they receive a care needs assessment or financial assessment.

28 HMSO (2013) *Care Bill*

An avoidable problem

Falling back on state funding for residential care is avoidable. As ADASS has argued, there are a range of products that can help self-funders of residential care avoid falling back on state funding including "savings, deferred payments, equity release, pensions and savings products, immediate care needs annuity products and even keeping the cash under the bed".[29]

However, many older people do not access independent financial information and advice for three main reasons. First, **there is a lack of public awareness about the cost of social care.** Figures published by Anchor, the older people's care and housing charity, show that almost one in four people are unaware that they may have to pay for their own adult social care.[30]

Second, **decisions about paying for care are often made at a time of heightened stress**. Decisions about care and support, as the Office of Fair Trading has found, will often be taken by someone who is in poor physical or mental health, is under pressure and has little previous experience of choosing a care home.[31] As a result, individuals are less likely to seek independent regulated financial advice.

Third, **there is a lack of trust between adult services departments and the financial sector**. Local government, the financial sector and, crucially, older people benefit from improved access to independent regulated financial advice. However, the financial services sector is regarded with caution by local government. This means that, in some cases, councils are reluctant to put in place clear processes that refer older

29 www.adass.org.uk "President's blog", April 2012
30 www.anchor.org.uk "Millions of Britons ignorant of care costs", 7 February 2012
31 Office of Fair Trading (2005) *Care Homes in the UK*

people to independent regulated financial advisers. The accreditation scheme and code of practice, operated by the Society of Later Life Advisers (SOLLA), is helping to build trust between the two sectors.

Local authorities and financial services will need to work in partnership to overcome these issues in the near future. The Care Bill explicitly recognises the need for local authorities to promote access to independent financial advice to the whole local population and not just those with eligible care and support needs.[32]

Proportion of councils providing basic financial information

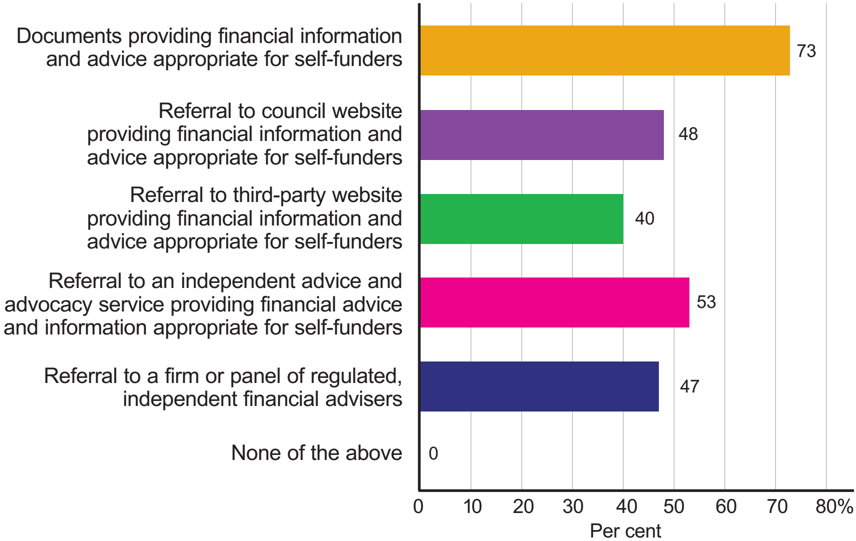
Councils recognise that provision of basic financial information following a Care Needs or Financial Assessment is critical.

All local authorities that took part in the research said that they provided basic financial information and advice to older people following a care needs or financial assessment. This consists largely of documents (73 per cent) and websites (48 per cent).

The increase in the numbers of councils providing basic financial information represents a significant step-change in local government practice. In 2011, the LGiU survey found that only 55 per cent of councils provided basic financial information at the point of entry into care.[33] However, it is unclear what impact this has had on the proportion of older people accessing independent financial advice and advocacy.

32 HMSO (2013) *Care Bill*
33 LGiU (2011) *Independent Ageing*

Which of the following services does your local authority provide to self-funders at or following a Care Needs Assessment or Financial Assessment?



Proportion of councils providing independent financial advice and advocacy

Information is a first step that needs to be followed by engagement with a proactive financial information and advice service. In 2013, the LGiU found that 53 per cent of local authorities provided referral to an independent advice and advocacy service providing financial information and advice and 47 per cent provided referral to a firm or panel of independent regulated financial advisers at or following a care needs or financial assessment. In contrast, in 2011, the LGiU found that only a third of councils provided referral to an independent advice and advocacy service and less than six per cent provided referral to a firm or panel of independent regulated financial advisers at or following a care needs or financial assessment.[34]

34 ibid

There is, however, significant variation in the quality of referrals made by councils. As the case studies in this report show, successful authorities put in place a clear process and monitor the number and outcome of referrals. As a benchmark for performance, it is estimated that 40 per cent of self-funders in residential care would benefit from a financial product. In some cases, however, council referral processes can constitute little more than signposting to financial advice. At a time of acute stress for service users and their families it is perhaps unsurprising that signposting does not work.

Proportion of councils providing proactive independent financial advice and advocacy

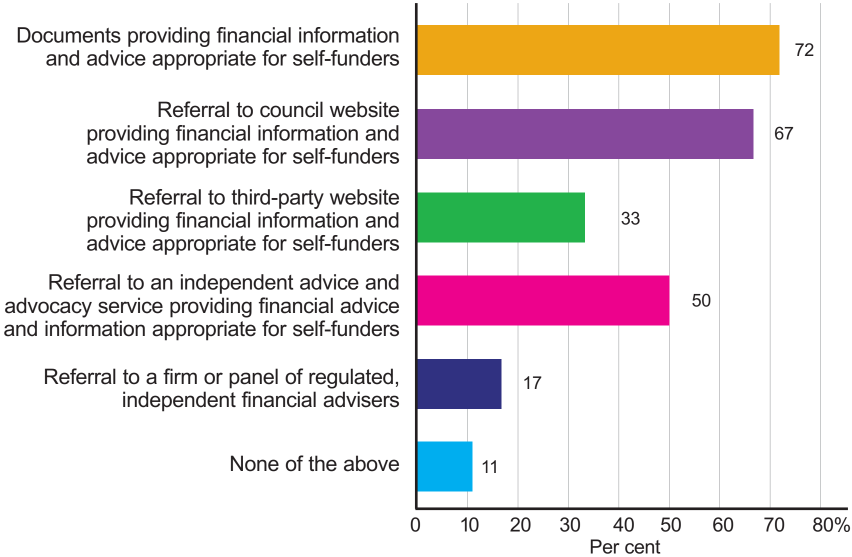
To be effective, as the Care Bill recognises, financial information and advice should be provided to older people before a care needs assessment or financial assessment.[35] This reduces pressure on vulnerable older people and allows more considered and effective decision-making.

However, authorities are not referring to independent regulated financial advisers early enough. To be effective, financial information and advice must be provided as early as possible. Once the Care Bill receives Royal Assent it is expected that local authorities will be required to provide independent advocacy and support to the local population and not just those with eligible care and support needs.[36]

The LGiU research reveals that local government as a whole needs to make progress in providing timely independent financial advice and advocacy. In research conducted for this paper, the

35 HMSO (2013) *Care Bill*
36 ibid

Which of the following services does your local authority proactively provide to older people *before* they receive a Care Needs Assessment or Financial Assessment?



LGiU found that 50 per cent of authorities provided referral to an independent advice and advocacy service before a care needs assessment or a financial assessment. Once the Care Bill receives Royal Assent, it is expected that councils will be required to provide independent advocacy and support to the people and not just those with assessed care and support needs.[37]

The LGiU research reveals that local government faces a more pronounced challenge in providing timely access to regulated independent financial advice. Early access to regulated independent financial advice is critical to ensuring that older people can make effective decisions about paying for care. It is concerning, therefore, that less than 17 per cent of authorities refer older people to a firm or panel of independent regulated financial advisers before they receive a care needs assessment or financial assessment.

37 HMSO (2013) *Care Bill*

Case study: Pam Whisker

Pam's parents were getting older, so she decided to take out power of attorney for both. A little while after she did this, Pam's father had a fall and had to go into hospital. At the same time, her mother had developed dementia, so she wasn't able to stay at home and look after herself. The local authority found a care home for her.

As Pam's father was still living at home, her mother's fees were partly funded through the local authority and partly through her pension. The situation was fine for a couple of years, but then Pam's father became frailer and was having more falls. He decided that he couldn't manage by himself any more, and would like to go into the same care home as his wife.

However, this was problematic. There was no longer anyone living in the family home, meaning that the local authority would no longer pay the care fees for either of Pam's parents.

Pam and her father decided that they would have to sell the family home to pay, but Pam still had some concerns. The care home fees were very high for two people, and she was worried that the money would run out. She was looking to find a way of ensuring that her parents would be able to stay in the care home, however long they lived.

She did some research and found the PayingForCare website. On the site, she had a short conversation with an adviser. The adviser suggested a more detailed phone conversation with an independent regulated financial adviser about her situation.

Over the phone, the adviser found a number of alternative routes she could take. In the end, Pam took out an immediate needs annuity for each of her parents which would provide an annual income increasing in line with inflation.

Pam went ahead with the plan and the annuities are now in place, capping her future liabilities and ensuring that care costs are paid for life for both her parents.

Councils can reduce the cost of older people who pay for their own care falling back on state support by helping people make the best decisions about care

Recommendations

Research conducted for this report has established that self-funders of residential care falling back on state funding represents a significant cost to local government. Crucially, as the government's Care Bill recognises, councils can reduce the cost of older people who pay for their own care falling back on state support, improve quality of life for vulnerable older people and meet local government's new legal duties by helping people make the best decisions about choosing and paying for care and support. Leading local authorities are already working to improve support for self-funders. The following recommendations draw on this best practice.

Recommendation 1: understand the number of self-funders

Data submitted by local authorities to the LGiU shows that awareness of the number of self-funders falling back on state support has improved significantly since 2011 with 59 per cent of councils understanding the number of self-funders falling back on local government funding.

Understanding the number of self-funders is key to assessing whether action is required to improve the provision of financial information and advice to self-funders and, going forward, monitoring the impact of actions taken. The most accurate method is to identify former self-funders from both new admissions and existing service users over a three-month period and pro-rate this to obtain an annual figure. This figure can then be multiplied by the average cost of caring for an individual at the council-funded rate in residential or nursing care as appropriate to obtain an estimate of the council's potential liability.

Recommendation 2: improve the content of council information

Older people who are paying for care need to know about the costs that they will face, the help that they can expect from local government and the welfare system, what the options are for paying for care and the sources of information and advice that will help them to make financial decisions. To help promote access to financial information and advice, councils should ensure that publications are appropriate to the needs of self-funders. An LGiU survey of council information sources conducted for this report found that overall the content of guidance documents for self-funders has improved since 2011. Guidance was more likely to mention the costs that self-funders will face, the help that they can expect from local government and the welfare system, what the options are for paying for care and sources of information and advice.

Recommendation 3: establish independent financial information and advice service, including referring to regulated financial advice

Helping people remain financially independent has four key aspects. First, recognising the benefits of independent financial information and advice. The Care Bill recognises that councils cannot provide specialist financial advice that individuals require to make positive decisions about funding their future social care.[38] SOLLA, a not for profit organisation, runs an accreditation scheme with a clear code of practice.

Second, putting in place an effective referral system. There is significant variation in the quality of referrals made by councils. As the case studies below show, successful authorities put in place a clear process and monitor the number and outcome of referrals. As a benchmark for performance, it is estimated that 40 per cent of self-funders in residential care would benefit from a financial product. Clear expectations have the added benefit of helping councils to assess the return on their human and financial resources.

Third, ensuring that the service operates on a whole population basis. To be effective, as the Care Bill recognises, financial information and advice should be provided to older people before a care needs assessment or financial assessment.[39] This reduces pressure on vulnerable older people and allows more considered and effective decision-making. Once the Care Bill receives Royal Assent it is expected that local authorities will be required to provide independent advocacy and support to the people and not just those with assessed care and support needs.[40]

Fourth, ensuring that income from benefits is maximised. Many self-funders do not realise that they are entitled to state benefits such as attendance allowance.

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38 HMSO (2013) *Care Bill*
39 ibid
40 ibid

Case study: Hertfordshire County Council

Hertfordshire County Council (HCC) has launched a new service to enable self-funders to make better-informed choices. The freephone service, provided by PayingForCare, ensures that, prior to making decisions about what kind of care they require and how to pay for it, older people are in possession of the necessary information. HCC recognises that low-levels of access to financial advice, and premature admission to residential care by self-funders, is resulting in significant and avoidable cost to the council.

To deliver this new service, HCC has embedded simple process changes within its customer call centres, assessment teams and the council website. The council website advises that "if you make your own arrangements with a care home we strongly recommend that you seek specialist information and advice and explore all of the funding options available to you."

Setting up an independent financial information and advice service is a critical process for local authorities. Robust business planning is, therefore, vital. Initially, the concept for the service needs to secure support from senior elected members and officers. Following that, but equally importantly, buy-in from local partners needs to be secured – including local residential and nursing homes and GPs.

This is vital to the long-term success of an information and advice service given incomplete engagement of self-funders and local government.

Successful independent information and advice services need to have a clear focus on the needs of their clients. This will, in many cases, be family members with power of attorney. This consideration must be at the heart of decisions about how the service will operate.

Building an effective service requires a strong business case, clear targets and robust performance monitoring. Up to May 2013, 23 per cent of self-funders had sought financial advice. Investment in the service is set against the £3-4m that the council spends on care for self-funders who fall back on state funding.

To ensure that the service is performing as effectively as possible, the council receives monthly monitoring reports that allow it to identify inappropriate referrals or, alternatively, lower levels of referrals from different parts of the system than would be expected. This supports a process of continuous improvement to the service.

Case study: Hampshire County Council

In order to support people who pay for their own care, Hampshire County Council (HCC) is working with three independent care fees specialists to help older people make informed choices about paying for care. The independent regulated financial advisers provide free consultations without obligation to discuss an individual's circumstances and appropriate financial products.

The independent regulated financial advisers will discuss an individual's personal financial situation, their wishes regarding their care, the care setting, any inheritance that they wish to leave for family and loved ones and the best way to fund care in the long term. The organisations have independent regulated financial advisers that are accredited Later Life Advisers, members of HCC's "Buy With Confidence" approved trader scheme and are authorised and regulated by the Financial Conduct Authority.

Case study: Sefton Council

Sefton Council's dedicated team of Finance Visiting Officers help ensure that older people in residential settings receive the benefits that they are entitled to. In addition to conducting financial assessments to assess an individual's income and assets, the council's visiting officers complete a benefit check to ensure that older people's incomes are maximised.

In one case, the visiting officer was advised that a client had claimed attendance allowance at the lowest rate and that it was in payment. However, after examining the client's bank statements, the visiting officer was unable to identify that Attendance Allowance was in payment. The officer contacted the Department for Work and Pensions who initially said that the benefit was in payment. However, through follow up work, it was found that although the award had been made it had never actually been paid to the client. This resulted in £13,000 back pay being paid to the client. The officer also felt that the client's care needs now met the criteria for the highest rate of Attendance Allowance. She assisted with a review of the benefit and the client subsequently received the highest rate of the award.

Recommendation 4: work through public and third sector partners to promote access to financial information and advice

The majority of self-funders do not engage with adult services departments. Nottinghamshire County Council estimates that only 25 per cent of self-funders currently engage with the council and Buckinghamshire County Council estimates that 33 per cent do so. In contrast, older people will visit their GP on average seven times a year and many will be in contact with local voluntary groups. Working through partner organisations in the public and third sector can therefore help authorities to promote access to financial information and advice by self-funders of care.

Case study: Plymouth City Council

Advice Plymouth is a new single point of contact for people in the Plymouth area to access free and impartial advice and information. The council has awarded a contract to Plymouth Citizen's Advice Bureau to lead a partnership which is made up of Routeways, Plymouth Guild and Age UK Plymouth.

The service helps local residents with money matters, benefits, debt issues, social care, health and wellbeing enquiries and can be accessed over the telephone via a drop in face-to-face service and from the Advice Plymouth website.

As the service develops, the council plans to deliver advice through community information centres in local communities and through home visits.

Case study: Nottinghamshire County Council

Nottinghamshire County Council (NCC) has launched a new service to enable self-funders make better-informed choices. The freephone service from PayingForCare ensures that prior to making decisions about funding care, including whether or not financial advice is required, older people are in possession of all the necessary information.

However, with only around 25 per cent of self-funders currently engaging with the council, this service is promoted through a range of different communication routes. Crucially, this includes the health service. Leaflets promoting the service have been distributed to all 97 GP surgeries in Nottinghamshire. This was arranged by the PCT prior to its abolition. Going forward, the NCC Carers Fact Sheet, which is handed out by GPs, will include a new section for self-funders.

In addition, 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. The council implemented the care home bed monitoring system from March 2012 for care homes for older people. The system is web-based and enables people to search for all care homes in Nottinghamshire and find out how many beds are available at any moment in time.

Through this software, the council receives 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. The software also sends a notification to PayingForCare, informing the company that an unnamed self-funder has entered the care home.

It then arranges for an independent care fees adviser to contact the care home seeking permission to meet with the new self-funder.

From September 2012 to May 2013, 270 self-funders had been referred to and engaged with the information and advice service. Of this group 58 have already requested financial information and advice – this equates to 21 per cent compared with the national average of seven per cent.

Recommendation 5: minimise the pressure on self-funders

Choosing care and support is a challenging and, in some cases, distressing process. This decision, as the Office of Fair Trading has found, will often be taken by someone who is in poor physical or mental health, under pressure to make a decision quickly and has little previous experience of choosing a care home.[41]

In this situation, even with help from friends and relatives, it can be difficult to make a considered decision on care.

Local authorities can help improve this difficult situation by providing advice and guidance on choosing a care home and making temporary care available to self-funders.

41 Office of Fair Trading (2005) *Care Homes in the UK*

Case study: Poole and Dorset Hospital Discharge and Screening Team

Poole and District Hospital Discharge and Screening Team run a screening service for people being discharged from local hospitals.

The service is aimed at people being discharged from hospital who are assessed as being self-funding or having non-critical care needs. Each hospital team has their own referral process and hospital ward staff will refer a patient to the team if they meet its criteria.

An advocacy and support worker will visit the patient, liaise with health and social care staff and family members to help the patient access the most appropriate services post discharge. This may be as basic as arranging for a dog walker to advice and guidance on selecting local providers of care services.

Case study: Valuing Care FM

Self-funders who are able to negotiate better deals with providers are less likely to deplete their resources and fall back on local government funding. However, many self-funders are unaware of whether they are receiving value for money or feel confident enough to challenge the fees quoted by care homes.

To improve this situation, Valuing Care FM has recently launched a new website and app to help self-funders analyse care costs called the Valuing Care Fees

Calculator. Valuing Care FM has reviewed 5,000 cases and worked with more than 100 NHS and local authority organisations to market manage the independent sector and assess the “value for money” fee rate for a home.

This data model has now been refined to create the Valuing Care Fees Calculator to help self-funders assesses whether the quoted fee received from the care provider is value for money.

The calculator is quick, free and easy-to-use. Users enter the quote received by the care home provider and a value for money assessment is displayed. This helps self-funders decide whether costs are too high or too low. If costs are too low, this may indicate that a care home is not in control of the real costs and vulnerable to closure. If the costs are too high, people can then decide to negotiate a better fee.

Improved support for self-funders helps older people to live out their lives in a manner of their choosing

Conclusion

This report highlights that while some local authorities have made significant improvements in financial information and advice services that they provide to self-funders, there is still a long way to go.

The challenge facing local authorities is imminent with the Care Bill anticipated to require local authorities to improve access to financial information and advice for self-funders. Royal Assent is expected during this 2013/14 Parliamentary term. The recommendations in the report, which stem from this work, present an outline of what best practice in this area looks like.

The interventions outlined in this report benefit both older people and local authorities. Improved access to independent financial information and advice can help older people remain in a care setting of their choice, and local government to reduce the £425m cost in England of people who fund their own residential care and fall back on state funding.

Improved support for self-funders helps older people to live out their lives in a manner of their choosing. To achieve this, while saving money, is an opportunity that councils should seize.

Building on the best practice case studies in this report, councils can implement new ways of working in advance of new legislation to mitigate risk and deliver better outcomes for self-funders. For example, successful authorities put in place a clear process and monitor the number and outcome of referrals.

This includes creating better, more robust pathways to enable citizens to access and receive trusted information and advice services including regulated financial advice. This will require strong processes to help overcome some of the cultural divisions between the care and the financial services sectors and a stronger referral route to regulated financial advice.

Partnership Assurance Group plc is a specialist provider of financial solutions for people with health and lifestyle conditions, as well as those suffering from a serious medical impairment. Partnership aims to offer higher retirement incomes than traditional providers by taking account of people's health and lifestyle conditions.

Partnership is the largest provider of annuities for Long Term Care funding in the UK and has been recognised for three years running as the Best Long Term Care Provider at the Health Insurance Awards.

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