

## APPENDIX 1 - THE SOCIAL CARE CHARGING REFORMS

### **Case Study 1: applying daily living costs**

Gerry has moved to a care home from his rental flat. He has £96,000 in savings and has an income of £140 per week. The local authority arranges the care for Gerry and is charged £524 per week by the care home for the care that Gerry receives.

Following a financial assessment, the local authority concludes that they can charge Gerry £418.35 from his income and savings, towards his care package. They do so, and the local authority pays the remaining £105.65.

When considering what counts towards the cap, the local authority first needs to subtract the amount attributable to daily living costs: £212. This does not count towards the cap.

This means that the amount of Gerry's contribution that counts towards the cap, and is recorded in his care account, is £206.35 as this is the remaining amount from the total that Gerry is charged.

### **Case Study 2: where daily living costs exceed assessed maximum contribution**

Imogen lives in a nursing home and has an income of £193.65 per week. She has £19,000 in savings and her husband still resides in their family home. This means that all Imogen's savings are protected, and the value of her home is not taken into account in determining her contribution towards her care.

The local authority maintains the contract with Imogen's nursing home, and the provider charges £980 per week for the care that Imogen receives.

Following a financial assessment, the local authority assesses that they can charge Imogen £168 towards her care package from her income. The local authority pays the remaining £812.

When considering what counts towards the cap, the local authority first needs to subtract the amount attributable to daily living costs. As the amount Imogen is charged is less than £212, her whole contribution is considered to be spent on daily living costs and therefore no amount will count towards the cap.

### **Case study 3: a local authority-supported person registering for the cap**

Ted is 74 years old. He has Parkinson's disease and dementia and requires additional support.

On 1 November 2023, Ted moves into a local care home at a cost of £800 per week. His wife Rebecca (who has lasting power of attorney) contacts the local authority on his behalf to register him for a care account on 3 December 2023. The local authority

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conducts a needs assessment on 5 January 2024 and determines that Ted has eligible care and support needs which would continue to be best met in a care home at a cost to the local authority of £750 per week (including daily living costs at £212). Following his needs assessment, Ted decides that he wishes the local authority to commission his care and the local authority arrange for Ted to move to a new care home which can meet his needs at a cost of £750 per week.

Ted and Rebecca own a property worth £200,000, but as Rebecca continues to live in the home, it is disregarded for the purposes of the financial assessment. Ted and Rebecca downsized a few years ago and as a result Ted has a £50,000 share of their joint savings in addition to his £300 personal weekly income. As such, he qualifies for means-tested support. Ted is charged £394 per week to contribute towards his care costs. £212 of the total £394 charge will be considered as daily living costs and therefore will not count towards the cap. The remaining £182 will count towards the cap.

The local authority provides Ted with a personal budget reflecting these figures and creates a care account to track his progress towards the cap. From the date Rebecca approached the local authority on his behalf (3 December 2023) until the date Ted is given a needs assessment (5 January 2024), Ted meters towards the cap at £538 per week – £750 minus daily living costs at £212. For the period following his needs assessment, Ted progresses at the rate of his personal contribution of £182 per week

<b>Counts towards the cap</b>	<b>Does not count towards the cap</b>	<b>Does not count towards the cap</b>
Care costs charged to Ted: £182 per week	Means-tested contribution from local authority: £356 per week	Daily living costs charged to Ted: £212 per week

### **Case study 4: a local authority-supported person registering for and reaching the cap**

Zainab is 74 years old and has recently sustained injuries through a fall. She contacts her local authority to request a needs assessment and support. The local authority determines Zainab has eligible needs. During the care and support planning process, Zainab and the local authority agree that her needs would be best met in her own home, costing £320 per week.

Zainab has savings of £45,000 from an inheritance. She is eligible for local authority financial support. She also has an income of £240 per week, including the new State Pension and Attendance Allowance.

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Zainab starts to progress towards the cap at £145 per week: the amount that she is charged by the local authority to contribute towards the total cost of her care.

<b>Counts towards the cap</b>	<b>Does not count towards the cap</b>
Care costs contribution charged to Zainab: £145 per week	Means-tested contribution towards care costs paid by local authority: £175 per week

When Zainab reaches the cap, the local authority becomes responsible for paying the full cost of the £320 required to meet her eligible care and support needs.

### **Case study 5: a self-funder asking the local authority to meet their needs**

Uri is aged 92 and has recently had a stroke. He contacts his local authority and is assessed as having eligible needs best met in a care home.

Uri previously lived alone in the home he owns, which is worth £250,000, and he also has an income of £270 per week, including the new State Pension and Attendance Allowance. As there is no qualifying relative who continue to live in his home, he does not benefit from a property disregard, and therefore is not eligible for means-tested local authority support.

Uri chooses to ask the local authority to commission his care. The local authority finds a placement for Uri in a care home at £600 per week (including daily living costs at £212).

The local authority provides him with a personal budget which sets out these costs. Uri is charged £600 to pay for his care and support package, and progresses towards the cap at £388 per week, excluding daily living costs.

<b>Counts towards the cap</b>	<b>Does not count towards the cap</b>
Care costs charged to Uri: £388 per week	Daily living costs charged to Uri: £212 per week

### **Case study 6: long breaks in care journey**

Paul is 60 years old, and in 2025 is assessed by local authority 1 as having eligible needs. He meters towards the cap at £100 per week. 2 years later Paul's condition improves, and he no longer requires care. As a result, local authority 1 is no longer required to keep Paul's care account up to date, but it must retain his care account.

20 years later in 2047, Paul requires care again. In the meantime, he has moved to local authority 2.

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Local authority 2 assesses Paul as having eligible needs and sets up a new care account on their system. They ask Paul if he previously had eligible needs and a care account to track the costs of meeting them operated by a different local authority.

After having confirmed that he previously received care in local authority 1, local authority 2 approaches local authority 1, which, in line with the legislation, has retained Paul's care account. Local authority 1 provides local authority 2 with a copy of Paul's care account, which confirms Paul's accrued costs and the level the cap was set at when his account was last updated. Paul's progress towards the cap at this point was 15%.

To ensure Paul's progress towards the cap is retained, before Paul starts metering again, local authority 2 readjusts 'Total accrued costs to date' so that it reflects 15% in relation to the current level of the cap in 2047.

**Assumptions** *For illustrative purposes the case studies assume £212 for daily living costs in all years (although this is subject to change). Personal expenses allowance in 2022 to 2023 prices at £25.65 per week*