

**NORTH YORKSHIRE COUNTY COUNCIL**  
**CARE AND INDEPENDENCE OVERVIEW AND SCRUTINY COMMITTEE**  
**2 JULY 2015**  
**SELF-FUNDERS BRIEFING**

## **Purpose of Report**

1. At their Mid-Cycle Briefing Group Spokespersons suggested that the Committee receive a briefing on the privately determined and financed social care market in respect of self-funders. This would help shape the work the Committee intended on customer experience and advice and the care funding reforms (commonly termed the Dilnot proposals).

## **Introduction**

2. The briefing explains the Directorate's obligations towards self-funders, the financial consequences in North Yorkshire for the market, the social care economy and Directorate resources. It also highlights how we engage with people to help them plan to avoid running out of money on private care costs.

## **Context**

3. In England, older people who pay entirely for their own social care and support account for 45% of residential care home places, 47.6% of nursing home placements and 20% of home care support. These people (though it is not just older people) are often referred to as 'self-funders'. The self-funded registered residential care and registered nursing home market is worth £4.9 billion per year and the self-funded home care market £652 million. (2011 Local Government Information Unit Survey)

## **Some Definitions**

4. **Self-funder** – A person who pays and arranges for their own care needs. No direct council involvement in setting up the care package. Payments to providers are outside of council contracts. Not covered by the council's standard terms and conditions. In some circumstances can arrange inappropriate care packages.

**A full cost payer** – A person who, though the councils charging arrangements, pays the full cost of their care package. The council arranges for their care package, following a full needs assessment. Direct council involvement in setting up the care package and payments to providers are made alongside council supported clients. Covered by the council's standard terms and conditions. Full cost payers are subject to a financial assessment.

**Capital Limits** – A term to used to refer to a self-funder whose asset pot has depleted to the point that they require council financial assistance to maintain their care package. The current capital limit is £23, 250, however it is proposed that this will increase to £118,000 under the Care Act as from April 2016.

### **National and Local Prevalence**

5. Whilst some local authorities have modest numbers of social care self-funders compared with those receiving state-funded support, in other areas self-funders are in the majority. Yet self-funders are often ignored in official statistics, and in national and local social care and health strategies and policies. Based on recent work for the implementation Care Act North Yorkshire has higher levels of self- funder than quoted in the opening paragraph with 71% of residential care being self-funding (45% nationally ) and 52% of Nursing care being self-funding (47.6% nationally). It is likely that the higher residential figure reflects the use of Extra Care throughout the county. These percentages are set against a figure of just over 6000 registered beds in the county.
6. Domiciliary care is more difficult to estimate as there is no fixed ceiling for the number of care hours that can be provided. However, from the various models that support the care act it is estimated that there are approximately 2500 additional users who may have an eligible need

### **Dilnot Proposals**

7. Under the Dilnot proposals for financial reform in the Care Act, from April 2016 those self-funders who do come forward will require an assessment for eligibility, annual reviews and the creation and maintenance of a care account to record ongoing expenditure towards the new care cap.(£72,000)
8. New systems will need to be developed for councils and individuals to work together, to agree care needs and to monitor the amount people spend on their own care up to the cap, after which the state will meet on-going costs to meet social care need. Local authorities will need to be aware of, and work with, people who previously would have been 'off the council's radar' because they were self-funding.
9. Self-funders have the potential to become very costly to the state and to local authorities in particular. If self-funders make uninformed choices about care, or purchase care which after a time they can no longer afford, they risk running out of funds and becoming dependent on their local authority for ongoing care funding.

## **Advice and Information**

10. The 2011 (LGIU) survey estimated that the outcome of uninformed choices by self-funders represented 3.5% of the average council's residential care budget.
11. If self-funders are not well informed at the outset about the preventative support services and care options available to them, the result may be earlier loss of independence and premature use of registered residential care and registered nursing homes. This is why the provision of good quality information and advice is a duty for local authorities under the Care Act and a key objective of a number of North Yorkshire 2020 projects. Also key is the provision of independent financial advice to ensure that people's hard earned assets are put to best use. This advice needs to be available through a range of routes including, but not limited to, websites.

## **Working with Partners**

12. It is often the case that the decision to enter residential care is taken in time of crisis, which can create a long term dependency. Work with our NHS partners is currently aimed at delivering new models of care that are designed to rehabilitate people so that they do not become reliant on residential care and can return to independent living. The final strand of ensuring that people do not enter residential care unnecessarily is ensuring that carers are fully supported and are able to carry out their caring role.
13. Furthermore, the impact of reduced independence on an individual's health may also lead to greater strain being placed on NHS resources.

## **Recommendations**

14. Later in the year the Committee will return to this as part of its more detailed work on the authority's preparedness and implementation of the Care Act.

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