



counsel + care 
for older people, their families and carers

factsheet

Counsel and Care factsheet: 2

Assets: advantages of keeping your capital

Deprivation of capital

The guidance around 'deprivation of capital' states that '**intention**' is a key factor in the transfer of property or capital. Where a local council Social Services believes that capital or ownership of a property was transferred with the intention of avoiding paying care home fees, the local council Social Services may decide that this amounts to 'deprivation of capital'.

If the local council Social Services makes this decision, it sees you as still having that capital or property and will include the full value in your financial assessment. If the value is over £23,000 (England), £22,500 (Scotland) and £22,000 (Wales) you would be



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expected to fund your own care until your capital drops to that level. There is no time limit on the transfer of assets. However, the local council Social Services would need to look at different factors including the reasons for transfer and whether or not it could be foreseen, at the time of the transfer, that it was likely that you would need care.

Financial assessment

The decision on whether or not someone has deprived themselves of capital to avoid paying care fees will be made at the time of the **financial assessment** in accordance with the **Charging for Residential Accommodation Guide (CRAG** – available at www.dh.gov.uk). (Please also see guides **16: Care Home Fees: paying them in England, 52 (Scotland) or 72 (Wales)** for more information.) This can also be a retrospective decision if the council finds out at a later date that, for example, someone bought a lot of expensive jewellery or gave a lot of money away to relatives just before the financial assessment.

Advantages to the older person of retaining capital

Choice, independence and dignity

Local councils have inadequate funding to provide all the care services required, and therefore, some have very strict eligibility criteria. The consequences of you depriving yourself of assets could mean that if you come to the stage in your life where you

have to move into a care home, you have limited your ability to maintain independence, dignity and right to choice. The local council's standard rate can be, in some cases, less than the normal market rate, and consequently the choice of care homes available can be restricted. However, if you have assets, depending on the amount, you may have far more freedom of choice, and may be able to purchase private care in a care home, which would have been restricted if Social Services was responsible for funding your care.

Financial benefit

If you have deprived yourself of capital and have limited or no savings, then your income may be restricted to the **Personal Expenses Allowance** (PEA) (currently £21.90 per week in England and Scotland and £22.00 in Wales) that is afforded to care home residents if they become council-funded rather than self-funded. It is widely regarded that the PEA may not even be enough to provide the basics in life. If you have not deprived yourself of capital (property, savings and so on) then you would not be restricted to the PEA and may have more disposable income/capital.

Emotional/psychological benefit

Retaining capital may also be beneficial to you on a social, psychological and emotional level.

See examples of this below:

Before moving into a care home, an older lady always enjoyed a night out at the theatre and liked to meet friends for dinner once a week. If restricted to the personal expenses allowance, she would no longer be able to afford these outings once living in a care home. If the older lady still had capital she would have been able to afford to continue these friendships and to interact with her local community. This would be a very important psychological, social and emotional benefit.

An older man living in a care home has lots of grandchildren and wants to give them presents for birthdays and Christmas as he has always done. If he had the disposable income from the capital asset/savings (that he had given away) then he may be more likely to afford to buy the presents.

If you are able to pay for your own care, you can choose a care home anywhere that meets your care needs. If, in the future, you became unhappy with the care you receive and the issue could not be resolved in that care home, then you would be free to look at alternative placements without the financial restrictions placed on council-funded residents.

Further information

Counsel and Care is a national charity; however the creation of the Scottish Parliament, and the Welsh and Northern Ireland Assemblies means there are differences in the ways each region cares for and supports older people. The information in this factsheet applies essentially to England although there may be similarities with Scotland, Wales and Northern Ireland.

If you need further information or advice about deprivation of capital or capital as it relates to financial assessments please see the other factsheets in this series or our guides at www.counselandcare.org.uk/helping-you/guides. All our factsheets and guides can also be ordered by telephoning our guide order line on **0207 241 8522**.

Alternatively, if you have a query in relation to deprivation of capital or funding, you may want to contact our advice line on **0845 300 7585** or send your enquiry by email to advice@counselandcare.org.uk.

Counsel and Care is the national charity working with older people, their families and carers to get the best care and support. If you have found our service helpful, please consider making a donation or leaving a legacy in your Will. You can arrange either by telephoning 020 7241 8555 or using the secure service on our website www.counselandcare.org.uk.

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