

eldercare news

Helping private funders meet their care costs

In our January edition we explained how care fees payment plans worked and their role in ensuring that your residents will always be able to pay their fees. Some of you have asked what can be done if a care fees payment plan is too expensive or the resident doesn't have enough money to buy one.

"Even when a care fees payment plan can't be put in place it is still vital that private funders receive financial advice," says Stuart Edmunds, Eldercare's Investment Solutions Director.

"It is important for the family and indeed all concerned that the resident's money can last as long as possible in order that fees can be paid. Achieving this requires an investment balancing act only possible with the application of experience, knowledge and research," adds Stuart.

The balancing act essentially involves achieving the best rates of growth on investments with the lowest risk. This means looking at tax efficiency as well as performance of the investments and minimising risk. As Stuart says "How this money is looked after is normally the responsibility of attorneys who must act in the best



Come and see us!



We are now regular exhibitors at care conferences and exhibitions around the country. If you see us please come and say hello so we can tell you what's new at Eldercare.

interest of your resident. This means making certain that the money can meet the care costs for as long as possible. Risky investments and poor tax planning can quickly erode savings"

Leaving the money in the bank is very often the worst choice. "There are many alternatives to banks and building societies which give better returns and penalty free access to the savings," says Stuart.

"Simplifying the position and then protecting the estate from Inheritance Tax is another part of our service," says Stuart. "Through a combination of trusts and financial products we are able to mitigate Inheritance Tax and we can also make certain that dependants do not have to wait for grant of probate to organise the estate, avoiding unnecessary cost and delay".

So there is much that can be done to help private funders meet their care costs.

If you would like more information on Eldercare's investment services please call Stuart on 01707 368945

Taking the stress out of selling a home to pay for care...

Announcing a new service from the award winning Eldercare Group

Many of your residents will need to sell their home in order to pay their care fees. The sale of a property in these circumstances can often take time and this can sometimes mean that you are left waiting for your fees until the property is sold. A new service from the Eldercare Group, the Eldercare Property Programme™, can help.

Selling a property can be difficult and time consuming, but selling a property to pay for care is a more complex and specialist area. The Eldercare Property Programme™ has been designed to provide your residents with the information and support they need to help them make the right choices in relation to property when arranging care. It can also help you by releasing funds before the property is sold, ensuring that you receive your fees without delay.

As with the award winning Eldercare Funding Programme™, the Eldercare Property Programme™ is available throughout the UK. Anyone managing your residents' affairs need only make one phone call and they will be connected to one of our property advisers whose experience and knowledge will relieve them of the stress and hassle of looking after and selling a property at such a difficult time.

The Eldercare Property Programme™ helps in two ways.

Property sale and management

We can maintain the property and grounds, handle negotiations with third parties and manage all aspects through to a sale for the best possible price. Our service includes:

- Arranging for a number of independent property valuations.
- A market assessment if letting rather than selling is the preferred option.
- Negotiating best terms with estate and/or letting agents.
- A valuation and, if needed, sale of accumulated assets and possessions.
- Arranging for gardens and grounds to be restored and maintained to improve appearance for sale.
- Arranging for decorating and other work to improve appearance to achieve a speedier sale at the right price.
- Arranging for routine maintenance including draining the water in winter to prevent freezing.
- Liaising with the buildings and contents insurer to find out if the policy covers vacant premises and if not arrange for insurance until the property is sold.
- Organising conveyancing.



Using a property to pay for care

Buying a care fees payment plan

In arranging for the payment of care fees many will choose the peace of mind and certainty offered by a care fees payment plan. Often the purchase of a plan will depend upon the sale of a property. It is important that care plans are in place as quickly as possible to ensure that residents get the most from them. We can advance the funds to purchase the plan bringing financial certainty and peace of mind to all quickly.

Payment of monthly care fees

We can arrange for payment of the monthly care fees until the property is sold. This is a convenient solution where the property is the main or only asset and there aren't alternative funds to call upon. Whether buying a care fees plan or paying monthly care fees, all costs are held as a charge against the property and are recovered from the sale proceeds.

All services are provided by our property advisers who have significant experience in care for the elderly, property management and finance. They deal with clients with understanding and compassion. All choices and costs are set out clearly and clients are under no obligation to proceed with any of our recommendations. All facts and choices are presented in our report together with our recommendation and the client is left to decide the most appropriate course of action. Clients are never under any pressure to proceed.

The following case studies demonstrate how Eldercare Property Partners can help

Case study one

James Roberts was acting with his sister as Enduring Power of Attorney. Both had taken the decision to move their mother into care and, following a successful month's trial in the care home which saw their mother settled and well cared for, both decided now was the time to sell her property.

James was beginning to find the whole process quite difficult and time consuming. While both acted as co-attorneys, he found that he was having to undertake most of the work as his sister lived abroad. He himself lived about 150 miles away from the property.

James approached Eldercare Property Partners simply to help with the process of selling his mother's property. While he had sold properties before, James had decided to employ a company who had an understanding of what he had to deal with as well as the ability to manage all aspects of the sale through one central contact.

So what did we do to help?

- Arranged a home visit to talk through the service.
- Identified there were 40 years worth of accumulated possessions – we agreed to obtain valuations on the contents to identify the best route for disposal.
- Arranged to value the property and provided a detailed marketing report with recommendations.
- Arranged for the garden to be restored and maintained to a reasonable standard to enhance saleability of the property.
- Arranged for some routine maintenance including draining the water system to avoid frozen pipes in winter.
- On his behalf we advised the insurance company that the property was vacant and obtained written confirmation that cover would continue until the property was sold.
- Appointed a solicitor to manage the sale conveyance.
- Provided regular progress updates during our involvement.
- Regularly updated the IFA who introduced the case – ensuring that he could communicate with James before the sale completed to discuss investment of the sale proceeds.

The sale completed four months later

Case study two

Edith Evans, aged 90, moved into Wentworth Lodge Residential Care Home three months ago. She has a property worth £250,000 that she is about to put on the market for sale. She has no savings or other funds.

Her independent financial adviser has recommended that she purchase a Care Fees Payment Plan from Partnership Assurance at a cost of £71,254. This Plan will pay an income of £2,000 per month to Wentworth Lodge and this, when added to her income, meets the fees in full.

However, Edith's adviser tells her that she will not be able to buy this plan until the property is sold. Wentworth Lodge reluctantly agrees to wait for the £2,000 per month shortfall but will expect the bill to be settled in full on completion of the property sale.

Edith's adviser then hears that Eldercare Property Partners may have the solution to Edith's financial predicament.

We will lend Edith the money she needs to buy her Care Fees Payment Plan within 7-10 days of application, subject to us taking a legal charge on the property. This means that Partnership Assurance will start paying the £2,000 per month to Wentworth Lodge immediately and no arrears will build up. Any interest on the loan and set up charges are all paid back to us from the eventual property sale proceeds.

How we saved Edith nearly £5,000

Current strategy – assuming that the property takes six months to sell

Sale proceeds net of costs	£240,000
Cost of Care Fees Payment Plan	(£ 71,254)
Cost of arrears to Wentworth Lodge @ £2,000 pm	(£ 12,000)
Net value of estate	£156,746

Eldercare Property Partners' strategy

Sale proceeds net of costs	£240,000
Repayment of advance to Partnership Assurance	(£ 71,254)
Arrangement fee and interest on the loan	(£ 7,013)
Net value of estate	£161,733

A saving to Edith's estate of £4,987

Please note that this is for illustrative purposes only and a client specific quote will be provided upon request

More information

A combination of the Eldercare Funding Programme™ and the services provided through the Eldercare Property Programme™ will make certain that your residents and those managing their affairs will have access to the very best independent advice in relation to all matters to do with paying for care.

Displaying our leaflets in containers we provide and 'signposting' your residents to them or handing them out with your information packs will make certain that you have met your obligations under CSCI.

For our free desk top display unit and leaflets please call Tracy on 01707 368945. For further information about Eldercare Property Partners call Mike Ralph on 01707 368936 or email mralph@eldercaregroup.co.uk



Eldercare proudly sponsors EAC Art Awards



Eldercare Group were proud to sponsor and support the Elderly Accommodation Council over 60s Art Awards held at the Mall Galleries in London on 26th June.

The EAC Art Awards were created in 1995 to celebrate and promote the artistic talents of older people. This national, annual competition for amateur artists has since gone from strength to strength, attracting thousands of entries from across the UK, and culminating each year in an exhibition of finalists in London. Art Awards is open to all older people, and EAC works closely with providers of retirement housing, care homes and day centres to encourage the widest possible participation.

If you would like further information about the Awards and how your residents or their families might enter please contact: EAC Art Awards, PO Box 279, Esher, Surrey, KT10 8YZ

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Nicky and her team are always available to tell you more about the service that Eldercare Solutions provides and how The Eldercare Funding Programme™ works, so please let us know how we can help you.



Eldercare Solutions:
Home of The Eldercare Funding Programme™

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Your questions answered...

In an earlier edition of Eldercare news, we ran an article on the subject of care fees payment plans – the plans used to meet care fees for life. This generated great interest from you and a number of questions were commonly asked. Some of these are summarised below with the answers:

Q: What happens when we put our fees up?

A: The person buying the plan can choose to add indexation (usually 5% per year) to the plan. This won't necessarily coincide with when your fees go up but Eldercare clients are made aware that they will have to cover any shortfall when this happens. Equally, if they don't include indexation, they will be fully aware that all fee increases will need to be met from their own remaining resources.

Q: How much do these plans cost?

A: They vary significantly from person to person. The factors that affect price are age, the level of care needs, the amount of income needed from the plan and whether the resident is male or female. All residents should be encouraged to obtain individual quotes rather than try and estimate what a plan would cost.

Q: What if the resident lives much longer than the insurance company predicted?

A: The insurance company has to pay the income for the resident's life. If they underestimated how long that would be then they make a financial loss on that plan. Conversely, if the resident does not live as long as predicted, they make a profit. Whether the insurance company makes a profit or loss, the resident and their family gain peace of mind and financial certainty by insuring the cost of care and the care home also know that their fees will always be paid.

Q: What if a resident is very poorly or has already been in the home for a number of months?

A: These plans are specifically designed for elderly, frail and dependent people needing to generate high levels of income to pay for care. They can be purchased at the time of moving into care or anytime after that, provided of course that they have sufficient capital to do so.

Q: Are they appropriate if a resident is really worried about the money being lost if they die soon after the plan is purchased?

A: It is of course a matter for the resident and the family to decide but at Eldercare, we also offer these plans on a deferred basis, which is a way of minimising loss of capital, and we can also quote prices to include life cover.

Q: What should my resident do with the money left over after the care fees payment plan has been purchased?

A: It is entirely their choice. Stuart can advise them on what to do with remaining funds. Bearing in mind that we are often dealing with attorneys or receivers it is important that they take advice as it is their responsibility to invest the money with Mum or Dad's best interests in mind.

If you have questions you would like to put to us please email us at advice@eldercaregroup.co.uk. If you would like previous copies of Eldercare News please call Tracy on 01707 368945 or email advice@eldercaregroup.co.uk