

Baker Davies

Care Now service

Taking the stress out of care planning



Case Study

Margaret enjoys new lease of life in wonderful nursing home after fall

In October 2012 Margaret fell again. Margaret has a drop foot, caused by nerve damage which means she can't lift one foot properly and she is prone to lose her balance. This time she broke her hip and wrist, falling in the upstairs bathroom. Her panic alarm was over the high handle on the door and she couldn't stand up to reach it. She painfully and gradually manoeuvred herself on her bottom all the way down the stairs. It took her over 2 hours. She kept calling for help but no one heard and there was no one to hear. Luckily a kind neighbour brought round a portion of Sunday roast and on finding Margaret, immediately called 999.

Four months later and Margaret was like a new woman - not just because of her hip replacement but because she feels safe and doesn't have to worry about anything physically or financially.

She is now living in a lovely care home, Maids Moreton Hall. It's a stimulating environment, with lots of activities, a library, cinema and a bar bistro. Margaret has made new friends, and old ones enjoy coming to visit her. She has no steps to trip on, she has nurses to help her keep track of her medication.

Everyone who knows her agrees - she has a twinkle in her eye again and a wicked sense of humour.



How Margaret made the transition

Margaret was already a client of Tony's at Baker Davies, when Margaret's niece and power of attorney Fiona got in touch to ask for further help.

Amanda, the Baker Davies later life expert guided Fiona and Margaret through the various options to a very happy solution.

Read below how the Care Now service helped Margaret and the various steps which were taken.

What happened?

Taking the stress out of care planning

A. Margaret decided where she wanted to live short term

After a month in hospital it became clear that returning to her own home would be very difficult. Even if a stair lift could be fitted, and nursing care provided Margaret said she would not feel safe. She agreed to try out respite care and give her broken bones time to heal before making a decision for the long term. Her niece Fiona checked out homes close to Margaret's home town as this was a top criteria for Margaret.



B. Margaret clarified what was important long term

Margaret's key decision making criteria were to feel safe, not to have to worry about medication or locking the doors. To enjoy tasty food, be very near Buckingham where she had lived for many decades. She wanted to be able to have quiet peaceful time on her own and be able to join others in activities. Within a week of experiencing the newly refurbished and refreshingly different Maids Moreton Hall, www.maidsmoretonhall.co.uk Margaret decided she wanted to stay longer term. Fiona and Margaret turned again to Baker Davies to help work out if she could afford it.

C. Working out the costs of care

Margaret owned her own home and had some investments which meant she would not automatically qualify for state funded care. She also had some pension income but not enough to cover the annual costs of care.

We can find out the scale of long term care fees by talking to the care home managers. Each potential resident need to be assessed for actual needs. Nursing care generally costs more than residential care and Margaret needed some nursing care. (Some homes charge more again for specialist dementia care).

D. Assessed sources of income and investments

As Margaret was already a client of Baker Davies, Amanda knew what private and state pensions she received and what investments she held.

E. Helped establish what state and NHS benefits were available

Amanda helped Fiona understand about the benefits available to Margaret, including Registered Nursing Care Contribution (RNCC) and Attendance Allowance. AgeUK helped Fiona and Margaret with the Attendance Allowance forms and Maids Moreton applied for the RNCC. These benefits made a small yet significant difference as it meant Margaret's income shortfall was reduced.

F. Obtained a long term care annuity quote

Early on in the process - a long term care annuity quotation was requested for Margaret to find out what terms would be offered to her. (Read more about what's a long term care annuity on the website). This involved filling in a short questionnaire and giving authority to request further information from Margaret's GP.

G. Was it going to be affordable for the long term?

Margaret's house was put up for sale and sold quickly. The big question was: would the capital she had from the sale of the house and income from investments and other sources be sufficient to cover the costs of future care to cover the weekly fees?



Remember it's only a later life specialist adviser who is authorised to provide this kind of advice and who has access to long term annuities.

Amanda Cook is pictured here with Margaret at Maids Moreton Hall

The Solution involved a long term care annuity plus investments

Amanda discussed inflation, investment risk and return. How long Margaret might live and did projections. It was decided that relying completely on investments to cover the fees would be a bit too risky. A fairly high return would be required or the capital might be depleted, particularly if Margaret lived a long time.

It was decided to exchange a lump of money for a guaranteed income by purchasing a Long Term Care Annuity. The annuity would cover roughly one quarter of the total care home fees - and would escalate each year at 5%, payable for as long as Margaret lived. The terms looked very attractive and provided peace of mind.

The balance of income required would come from a relatively small amount of monthly withdrawals from her tax efficient investment portfolio.

Amanda arranged the long term care annuity and new investments. The Care home calculated the equivalent calendar monthly fee for Margaret - (they normally charged every 4 weeks). The annuity was set up to pay the care home directly (this means it's tax free). Regular withdrawals from the investments are paid to Margaret's bank account each month to cover the shortfall in fees plus a bit more for any extra expenses. Baker Davies continue to monitor Margaret's investment portfolio.

"It felt like a huge responsibility as power of attorney to do the best for my Auntie. To make sure she got the best care possible and that it was always going to be affordable. Amanda's advice was invaluable in helping make sense of the jargon, processes, numbers and funding options. Both my aunt and I are delighted."

Fiona Sutherland Case study 21.11.13

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