

Care
Navigators

DEPRIVATION OF ASSETS

2025/26



Local Authority Charging - Later Life Care (England)

[The Care Act 2014](#) came into force from 1st April 2015 and is the legal framework for how the Local Authority identifies, meets and contributes towards the cost of care and support for adults in England.

It is an individual care need that is being assessed and therefore their ability to contribute towards any cost. Please see the Local Authority Financial Assessment guide for more information on charging rules.

Deprivation of Assets

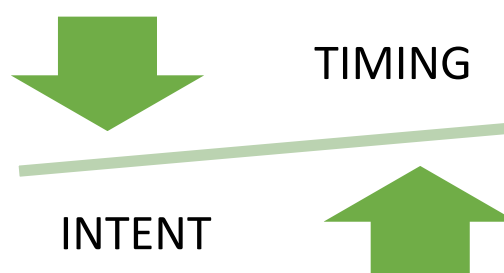
Can I give away my money? Everyone has a right to choose how they spend their money BUT if you give away your assets to avoid paying for care it may be considered as deliberate deprivation

Avoiding paying for care may not be the reason for reducing your assets or making a gift and a local authority should consider both the timing and intent before deciding whether the purpose of the deprivation is avoiding care and support charges as people with care and support needs are free to spend their income and assets as they see fit, including making gifts to friends and family.

What is meant by deprivation of assets? Deprivation of assets means where a person has intentionally deprived or decreased their overall assets in order to reduce the amount they are charged towards their care. This means that they must have known that they needed care and support and have reduced their assets in order to reduce the contribution they are asked to make towards the cost of that care and support.

[Annex E – Care and Support Statutory Guidance](#)

Deprivation of Assets – Depriving yourself of an asset isn't always done with the intention of avoiding paying for care. Both timing and intent is important. Before looking at the reason for the deprivation a Local Authority will consider when you reduced your assets and whether you could reasonably expect to need care and support.



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What happens if the Local Authority decides deprivation of asset has taken place?

Notional income/capital - In some circumstances a person may be treated as having income/capital that they do not actually have. This is known as notional income/capital.

This might include for example income that would be available on application but has not been applied for, income that is due but has not been received or income/capital that the person has deliberately deprived themselves of for the purpose of reducing the amount they are liable to pay for their care

Other considerations

Separating Joint Accounts - Separating jointly held savings into individual accounts may make keeping track on care fees and bills more manageable BUT if you take half from a joint account and put it into the name of the partner not requiring the care, intending the Local Authority to split the remainder of the joint account it could be considered deliberate deprivation. Both Financial and Legal advice may be required

Power of Attorney – Sometimes children have a Power of Attorney for both parents which can cause a conflict if joint funds require separating or one partner requires more financial input than another, for example when care fees are needed. When this applies it is appropriate to bear in mind the Principles of the Mental Capacity Act 2005 and be guided by the Code of Practice. A Power of Attorney requires the Attorney to act in the 'Best Interest' of the person who no longer has the mental capacity to manage the decision. Both Financial and Legal advice may be required

If you would like some help to understand a Local Authority financial assessment or aren't sure how the Council can help. [Please book a 10 minute fact finding FREE call](#)



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