

Paying for a care home

Understandably, choosing and moving into a care home presents a major lifestyle change. Paying for long-term care is a complex subject and everyone's circumstances are different.

Here we outline the main points relating to paying care home fees in England – the situation is different in Scotland, Wales and Northern Ireland. More details can be found on the *Further Information* list on page 5.

First steps... an assessment of your needs

Contact your local council's social care department to arrange an **assessment of your needs**. Telephone numbers are on page 5. This provides an opportunity to discuss in detail your personal situation, including your health, how you are coping and what sort of help you are likely to need in the future. If it is decided that a care home will best meet your needs, the council will advise on suitable local facilities and tell you how much they usually pay for the level of care you require.

You may be planning to fund your own care as a 'self-funder', but even so, you are strongly advised to have your needs assessed before moving into a care home. It is important to discuss the implications of what may happen if your money runs out – sometimes this can happen sooner than anticipated, particularly if your health deteriorates and it is necessary to pay for additional care.

Registered Nursing Care Contribution (RNCC) Also called Funded Nursing Care (FNC).

If you have been assessed as needing the care of a registered nurse in a care home, the NHS will pay (from 1 April 2022):

- Standard rate: £ 187.60 for people assessed after 1 October 2007
- Higher rate: £ 258.08 for people assessed before 1 October 2007 as needing the highest rate of nursing care (at that time there were three levels of need – low, medium and high)

RNCC is paid directly to the home. It is important to have a contract with a care home setting out terms and conditions relating to accommodation, board and personal care and whether the nursing care element is included.

For example: if the cost of the care home is quoted as **£800** per week, you must ask if this figure includes the RNCC element, currently £ 187.60.



If you are self-funding:

- If the £800 per week **does** include RNCC, your self-funding contribution would be £612.40 and the NHS would pay £187.60 (£800 minus £187.60 = £612.40).
- If the £800 per week **does not** include RNCC, you would be liable to pay the full £800 and the NHS will pay RNCC, £187.60, directly to your care home. The home would then receive a total of £987.60 to cover all aspects of your care.

If you are partly self-funding:

- Where the total fee is split between a care home resident and the local council, the RNCC is deducted from the council's share of the payment. The care home must show you how the RNCC reduces the total fees. If you don't see any difference, check your contract and ask them about it.

RNCC is not paid if you have to go into hospital but you may still have to pay for your care home place during this time.

RNCC does not affect your entitlement to Attendance Allowance.

Some people who have a more complex medical condition which needs ongoing specialist treatment may have the full cost of their care, including their care home fees, paid for by the NHS. This is known as **NHS Continuing Health Care**. If you think you may qualify for this type of care, contact relevant health providers such as hospital staff, your local GP or health authority as you will need a health assessment. It can be very difficult to qualify for NHS Continuing Care. It is important not to confuse NHS Nursing Care Contributions with NHS Continuing Health Care. Carers' Resource can provide further information on NHS Continuing Health Care.

After your needs are assessed, you will have a **financial assessment** with your local council. The council will look at your income and capital and decide how much you may have to pay towards your care home fees.

Examples of **income**:

- Private and/or State Pension
- Benefits such as Pension Credit, Attendance Allowance, care component of Disability Living Allowance or daily living component of Personal Independence Payment

Your **capital** could include:

- savings
- investments
- property - including your home or land

It's important to make sure you are currently getting all the benefits you are entitled to as the financial assessment of any contribution to your care home fees will be calculated on the assumption you are receiving all relevant benefits. Your local Age UK, the Citizen's Advice Bureau or other benefits advisor can do this for you.



No matter how much you have to pay towards fees, you must be left with your own **personal expense allowance**, currently £25.65 per week, to spend as you wish.

There are upper and lower limits of capital which determine who will pay care home fees.

- If you have savings and capital of **less than £14,250**, you will not have to use any of this money to pay towards your care home fees. However, you will have to contribute all of your weekly income towards the fees (there may be some exceptions depending on your individual circumstances), except for £25.65 per week which you can keep for personal items.
- **You** will pay the full cost of care if your capital **exceeds £23,250**.
- If your capital is between **£14,250 and £23,250**, you and the council will **jointly** pay. This is how it works: For every £250 of capital over £14,250, £1 per week will be deducted from the council contribution, which will be paid by you.
- If your capital is less than £23,250 but your **weekly income** amounts to more than the care home fees and personal allowance added together, you will have to pay for your care.

Note that from October 2023, the government will introduce a new funding system. Personal care costs will be capped at £86,000, and a new Capital Limit system will push the lower and upper thresholds to £20,000 and £100,000 respectively.

Many people are naturally concerned if they share their capital or property with someone else. If they're a couple sharing a home, will they have to sell their home?

Joint capital

You may share capital with another person or persons – a joint account in a bank or building society, for example. You will be treated as having an equal share of a joint account but only **your** share will be used in any calculations relating to your care costs. Having your own account(s) may simplify matters when your finances are assessed.

Jointly owned/occupied property

The value of your property **will not count as capital** if the following people will continue to live there (even if the house is in your name):

- husband, wife, civil partner, or someone you live with as a partner
- a close relative who is 60 or over, OR disabled
- one of your children, aged under 18 (including adopted children)
- your ex-husband, ex-wife, ex-civil partner or ex-partner if this person is a single parent

The council may also choose not to count your house as capital if your carer lives there.



When your house does not count as capital:

The value of your home is not counted for the first **12 weeks** after you move into a care home. This helps if you are planning to sell your home or if you are staying in a care home for a short time for respite or convalescence or for a trial period. This is called the **‘three month property disregard’**.

If you are in a position where your house counts as capital but you don't want to sell it, the local council can allow you to enter into a **‘deferred payment agreement’**. So long as you have capital of less than £23,250 apart from your home, and do not have enough income to pay care home fees, the council can effectively give you a loan which will be paid back when your property is eventually sold. Interest may be charged on the loan. Please contact your local council for further information regarding the rate of interest. Go to www.gov.uk/find-your-local-council for their contact details.

Deliberately trying to avoid care home payments

You should not deliberately give away your assets such as savings or your home in order to avoid care home costs – this is known as **deprivation of assets**. The council and the Department for Work and Pensions (DWP) are entitled to look closely at such transactions and there is no time limit as to how far back they can investigate. If they consider there has been a deliberate deprivation of assets, they can treat the amounts involved as if they were still owned by you.

What happens next?

Following assessments of your care needs and finances, the council will be able to identify which care homes would be best suited to you and the means of paying for your care. Even if the council is funding your care, you do not necessarily have to accept a home which they have chosen – you have the right to find your own home, as long as its services and charges meet with the council's approval.

Moving to another area

You may want to move to a home which is outside your local council's area – to be nearer family, for example. If you have been assessed as needing care and your local council has agreed to pay for you, then they are responsible for your fees if you choose a care home somewhere else.

Third party ‘top-ups’

If the care home you choose costs more than the council would usually pay for someone with your needs, you will have the choice to ask someone (usually a friend or relative) to make up the difference. This is called a ‘third party top-up’.

The law says you are not allowed to make this additional payment yourself (except in very specific circumstances) as you have already been financially assessed to pay what you can afford.



Further information

Carers' Resource factsheets: (our contact details are on page 6)

Choosing a care home
NHS Continuing Healthcare

Age UK factsheets:

Paying for permanent residential care (FS 10)
NHS Continuing Healthcare and NHS-funded nursing care (FS 20)
Finding, choosing and funding a care home (FS 29)
Property and paying for residential care (FS 38)
Paying for care in a care home if you have a partner (FS 39)
Deprivation of assets in social care (FS 40)
How to get care and support (FS 41)
Paying for short-term and temporary care in a care home (FS 58)

Factsheet orders and Advice Line: 0800 678 1602 orders@ageuk.co.uk
Online: www.ageuk.org.uk

Independent Age factsheets:

Paying care home top-up fees
Can I avoid paying for care by giving away my assets?

Order and Helpline: 0800 319 6789; online: www.independentage.org

Department of Health and Social Care

NHS Continuing Healthcare and NHS Funded Nursing Care: Public Information Leaflet
Available online at: www.gov.uk/government/publications/

Local authorities Health and Adult Social Care

(Contact for an assessment of care needs and arrangements for paying for care)

North Yorkshire County Council:	01609 780780
Bradford Metropolitan District Council:	01274 435400
Leeds City Council:	0113 222 4401



Please note: This factsheet is for general guidance only. We try to ensure our information is up to date and accurate but please be aware that it is subject to change. Carers' Resource is not responsible for the content of external websites or assets. You may wish to take independent professional advice before making any decisions regarding care home fees.

References: This factsheet was compiled with the help of information contained in factsheets published by Age UK and Independent Age.

If you need further information or would like to discuss any aspect of your caring role, please contact Carers' Resource:

Harrogate 01423 500555

Unit 3, Grove Park Court, Grove Park Terrace, Harrogate HG1 4DP

Bradford 01274 449660

15 Park View Court, St Paul's Road, Shipley, BD18 3DZ

Skipton 01756 700888

Ronaldsway House, 36 Brook Street, Skipton, BD23 1PP

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We can provide this information in another format. Please contact us to discuss your requirements.

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