



A GUIDE TO FUNDING THE COST OF CARE

February 2021



CARING HOMES



ABOUT THIS GUIDE

Finding a care home for yourself or an older loved one, and organising the move into full-time residential care, can be an emotional process.

Understanding how care is funded and what costs are involved will help you to navigate the process more quickly and easily.

At Caring Homes we want to help you feel confident about your choices.

That's why we've created this guide to explain how the funding process works and to answer some of the questions you may have.

Finding – and funding – care for yourself or a loved one is a very personal process. And, unlike healthcare delivered in the NHS, the care of older people in the UK is not free to everyone.

The funding support that you are entitled to will depend on your financial circumstances as well as where you live in the UK.

We have tried to include as much information as possible in this guide, but we do recommend that you seek the advice of a qualified independent financial adviser, who can talk you through all your options.

HOW MUCH DOES CARE COST?

The cost of care can vary a great deal and depends on such factors as the type of support you need and the location of your care home.

What influences the cost of care?

- Whether you are receiving permanent or temporary care
- Whether the home is run by the local authority or an independent provider
- Your county or region, for example, the personal care you receive in a care home in Scotland is free if you're over 65
- Individual care home fees
- Rising living costs





HOW DO YOU ORGANISE FUNDING?

The first step is for your local authority to assess your care needs. They will create a report about your needs and the type of care that would best suit you.

State funding vs self-funding

Unlike healthcare in the NHS, adult social care isn't free for everyone at the point of use. If you live in England, Wales or Northern Ireland, and you have severe or complex health needs, NHS Continuing Healthcare may cover all of your care home fees. (Scotland has different care arrangements, called Hospital Based Complex Clinical Care, which is only available to people in hospital.)

However, if your health needs aren't severe or complex, you will then need to have a financial assessment – or means test. This will show whether you qualify for local authority funding and, if so, how much you are entitled to receive. If your capital is over the pre-set limits, you will be expected to fund all of your care yourself, which is called self-funding.

Being means tested

Your local authority will use nationally set guidelines to work out how much you should pay for your care based on the income and assets you have. These include savings, stocks and shares, Premium Bonds, National Savings accounts, pensions and property. It does not include the value of personal possessions or the income of a partner or family members.

In reality, most people pay something towards their care, and you may find that your funding is a mix of local authority funds, personal savings and assets.

WHAT ARE YOU ENTITLED TO?

To work out whether you qualify for state funding and how much you may be entitled to, the local authority financial assessment, or means test, will look at:

Your regular income, including:

- pensions
- benefits
- earnings

Your capital, including:

- cash savings
- investments
- business assets
- land
- property (your home will not be included if your partner still lives there).



How will your income and capital affect the funding you receive?

The amount of capital you have	Your entitlement to funding
Less than £14,250	Your capital is disregarded and you will be entitled to the maximum support available.
Between £14,250 and £23,250	You are entitled to some financial help but will be expected to pay £1 per week for every £250 or part of £250 you have over £14,250.
More than £23,250	You will be expected to pay for all of your care yourself, known as self-funding.

Capital limits vary from region to region

Contact the social services department of your local authority to find out whether you're eligible for funding. If you have savings and assets of more than the amount in this table, you'll have to pay for your own care:

Region	Savings threshold for local authority funding in 2019/20
England	£23,250
Wales	£24,000 (care at home) or £50,000 (care in a care home)
Scotland	£27,250
Northern Ireland	£23,250

YOUR QUESTIONS ANSWERED

1. Will I have to sell my home?

If you have a partner who still lives in your home, then your home won't be included in the means test. However, if you live alone in the property, it will be considered as part of your total capital assets. This is likely to put you over the threshold for support.

While many people who move into full-time residential care do sell their homes, it's important to consider all the options (for example, renting out your home) and to speak to an independent financial advisor.

2. How is my income assessed?

Your local authority will only look at your income (including pensions and savings). They will not consider the income of members of your family.

3. Does anything get disregarded?

Benefits and credits are disregarded, such as the State Pension and Attendance Allowance. Disability Living Allowance is also disregarded, as are War Widows' special payments. The value of any personal possessions is excluded as long as they were not bought with the intention of avoiding residential care charges.

4. What about jointly held capital?

If you have jointly held capital, you and the other joint owners are treated as having equal interests. There is an exception for jointly owned property, which is calculated in terms of the present sale value as the part you own could be sold with the proceeds going to you. If you have a joint bank or building society account with your partner, you will be assessed as having half of the balance of the account.

5. What is deprivation of assets?

Some people deliberately give away assets or income to put themselves in a better position to obtain local authority help with care fees. However, if the assessor believes there has been deliberate deprivation of assets, they may still factor the assets into the assessment.

6. What happens if my money runs out?

If you are funding your own full-time residential care and your capital is falling towards the upper capital limit, ask your local authority for an assessment of your care needs as you may be eligible for funding. This can take some time to arrange, so be sure to discuss it with your care home and the local authority well in advance of your capital falling below the upper limit.



KEEN TO KNOW MORE?

If you would like to know more about care homes and funding full-time residential care for yourself or a relative we're here to help.

We can help

Please call our friendly Caring Homes team on 0808 223 5399 or visit www.caringhomes.org

Contact your care regulator

For more country-specific funding advice and general guidance, contact your appropriate care regulator.

Care Quality Commission (CQC)

The independent regulator of health and social care in England.

Citygate, Gallowgate,
Newcastle upon Tyne, NE1 4PA

Telephone: 03000 61 61 61

Email: enquiries@cqc.org.uk

Website: www.cqc.org.uk







Care Inspectorate (SCSWIS)

The independent scrutiny and improvement body for care services in Scotland.

Compass House, 11 Riverside Drive,
Dundee, DD1 4NY

Telephone: 0345 600 9527

Email: enquiries@careinspectorate.com

Website: www.scswis.com

Care and Social Services Inspectorate Wales (CSSIW)

The independent scrutiny and improvement body for care services in Wales.

Welsh Government office, Rhydycar
Business Park, Merthyr Tydfil, CF48 1UZ

Telephone: 0300 7900 126

Email: cssiw@wales.gsi.gov.uk

Website: www.cssiw.org.uk

Charities, groups and associations

Age UK

Age UK has been helping older people across the UK for more than 60 years.

Telephone: 0800 169 65 65 (Lines are open seven days a week, 8am to 7pm)

Website: www.ageuk.org.uk

and www.ageuk.org.uk/scotland

Alzheimer Scotland

Specialist services for people with dementia and their carers.

Telephone: 0808 808 3000

Website: www.alzscot.org

Alzheimer's Society

For information, advice and local services for those looking after someone with dementia.

Telephone: 0300 222 1122

Website: www.alzheimers.org.uk

Care Information Scotland

For information about care services for older people living in Scotland.

Telephone: 0800 011 3200

Website: careinfoscotland.co.uk

Carers UK

Offers advice on benefits and services available to carers.

Website: www.carersuk.org

Carers Trust

Information and local support services for carers, including specific information for Northern Ireland, Scotland and Wales.

Website: www.carers.org

NHS Choices

Click on the Care and support tab to access a wealth of information about all aspects of care.

Website: www.nhs.uk

Dementia Action Alliance

Supports communities and organisations to enable people to live well with dementia.

Website: www.dementiaaction.org.uk

Dementia UK

Provides expert care and support to people living with and affected by dementia.

Telephone: 0800 888 6678

Website: www.dementiauk.org

Money Advice Service

The Government's free and impartial money advice service, has advice on funding care

Telephone: 0800 138 7777

Website:

www.moneyadviceservice.org.uk

Relatives and Residents Association

Charity that supports care home residents and their relatives

Telephone: 020 7359 8136

Email: info@relres.org

Website: www.relres.org

Silver Line

Free confidential helpline providing advice to older people. Open 24 hours a day, 7 days a week.

Telephone: 0800 470 8090

Website: www.thesilverline.org.uk

Which? Elderly Care

Consumer service, with useful information about funding care.

Website: www.which.co.uk/elderly-care

Society of Later Life Advisers - SOLLA

The Society of Later Life Advisers (SOLLA) is a not-for-profit organisation, to meet the need of consumers, advisers, and those who provide financial products and services to the later life market.

Our aim is to ensure that consumers are better informed about the financial issues of later life and can find a fully accredited adviser quickly and easily.

Telephone: 0333 202 0454

Website:

www.societyoflaterlifeadvisers.co.uk





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Caring Homes is part of the Caring Homes Group

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