

Charges for care homes

If you need to move into a residential or nursing care home, you will likely need to pay for part or all of the costs. This booklet tells you more about care home fees and how they are calculated.

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1. Introduction

If you move into a care home, you will normally have to pay towards the cost of this. The amount depends on your income and your assets (your savings, investments and the value of any property you own). We will help you to calculate this, and usually the residential home staff will help with this too.

2. The difference between residential care and nursing care homes

The main difference is that a nursing home always has a qualified nurse on-site to provide medical care. There are slightly different rules on paying for residential care and paying for nursing care.

Everyone who needs nursing care is entitled to a contribution from the NHS towards their nursing costs. More information is on the NHS website. Nursing homes usually charge more than residential homes because of the specialist care available, and you may still have to pay all or part of your accommodation costs at the home.

3. Calculating how much you will pay

To get an estimate of how much you might expect to pay, try our financial assessment calculator at www.lbbd.gov.uk

We apply a means test to make sure you only pay what you can afford for nursing or residential care homes: How much you have to pay will depend on how much money you have, and we calculate this by carrying out a 'financial assessment' with you. When we talk to you about your needs during your assessment, we will explain more about the financial assessment process. Regulations about how much we should charge are set by the government in the Care Act 2014 and the Care and Support (Charging and Assessment of Resources) Regulations 2014.

If you have savings or investments that are over £23,250 you will have to pay the full cost of your stay in the care home.

If you have savings or investments between £14,250 and £23,250, you will have to make a contribution towards the cost of your stay in your care home, and the Council will pay the rest. You will also need to pay part of your weekly income and benefits to the care home.

If you have savings or investments below £14,250, you will need to pay part of your weekly income and benefits to the care home and the Council will pay the rest.

The weekly income and benefits we look at to calculate what you will pay include:

- Any pension you receive
- Pension Credit
- Income Support
- Any extra social security benefits you may be entitled to claim for your stay in the home.

4. Will I be left with any money for myself?

Yes, everyone keeps a Personal Expenses Allowance that is currently £28.25 per week.

There are other benefits and allowances that are not considered as income in the financial assessment, and some capital assets that are disregarded (e.g. the surrender value of any life insurance or annuity). This will be explored and explained in your financial assessment.

5. Will I have to sell my home?

If you own your home, the value of it will not be taken into account for the first 12 weeks of you living in the care home. This is called the '12-week property disregard'.

After this time, the value of your home may be included in your financial assessment. There are some situations where your home will not be taken into account. This is when one of the following people also lives in the property, and will continue to live there after the person has moved into a care home:

- A husband, wife, civil partner or partner
- A close relative over the age of 60
- A dependent child
- A relative who is disabled or incapacitated.

Some other conditions apply which we take into account when we are deciding if the value of your home should be included in your financial assessment, which can be explored and explained during the financial assessment.

If your home is included in your financial assessment and you don't want to sell it, there are other options that may be available to you. For example, you may qualify for a deferred payment. This is an arrangement with the council that will enable you to defer paying for the cost of your care home against the value of your home until you choose to sell your home, or until after your death. Deferred payments are explained in more detail on page 6.

6. Temporary stays in care homes

This is sometimes called a 'short-term placement'. Charges can apply to temporary stays in a care home, and the calculation depends on your circumstances. Please speak to staff for more information.

7. Choosing a more expensive care home

If you choose a home that costs more than the personal budget that the council has identified to meet your assessed needs, a third party can pay the difference. This is sometimes called a 'top-up'.

If you need to move into a care home, we will work with you to find a suitable home that meets your needs. If you want to move into a more expensive care home, a third party can pay the difference (called a 'top-up'). The third party can be your spouse, another member of your family, a friend or a charity. You cannot pay your own top-up from your savings, because we will have already carried out a financial assessment of what is affordable for you to pay towards the cost of your care home. However, you can pay your own top-up from savings if you have a deferred payment agreement in place or if you are placed in a care home under section 117 of the Mental Health Act 1983.

There are some important things to consider with third party 'top-up' payments to care homes:

- The family or friends who are paying the top-up will need to be sure this is affordable for the duration of your stay in the care home. They may be required to share details of their financial position with us so that we can be assured of this, and will be required to enter into a contract with the council and possibly the care home.
- Care home fees normally increase each year, sometimes by more than the rate of inflation. This may impact the amount of money in the top-up.
- If friends or family do not pay the agreed top-up, we will carry out an assessment of your care needs and speak to the care home to agree next steps. This could result in you moving to a different care home.
- We recommend that family or friends get independent financial advice before entering into a third-party top-up agreement. More information on this is on our website at www.lbbd.gov.uk

8. Paying your own care home fees

If you're paying the full cost of your care, you are known as a 'self-funder'. This may be because the council has calculated that you can afford to pay the full cost, or because you prefer to arrange support for yourself without input from the council.

If you are a self-funder because you own your home and are moving into a care home, a 'deferred payment agreement' means you should not have to sell your home in your lifetime to pay care home bills. Deferred payments are explained on page 6.

9. What if I don't want a financial assessment?

If you do not want to tell us about your financial situation through a financial assessment, you do not have to do so – but we will then ask you to pay the full cost of your care.

10. Giving away money or assets

If you give away money or assets to avoid paying care fees this is seen as 'deprivation of assets' and will mean that your financial assessment will still include the value of the assets that have been given away. In some circumstances, we can legally ask the person who was given the money or assets to pay some or all of your care home costs.

11. How to pay care home fees

Invoices from the council are normally sent every 4 weeks and you have 4 weeks from the date of the invoice to make the payment. You can pay by phone, online or at a bank: More information will be included in the invoice.

12. Reviewing the amount you pay

The amount you pay is normally reviewed each April, in line with any changes to things like benefits and pensions. Please contact us if your circumstances change in a way that might impact how much you pay. If you do not notify us of a change, this could result in increased charges being backdated incorrectly to when the change occurred.

13. If you disagree with what you are being charged

If you are concerned that your assessed contribution has not been calculated correctly, you can appeal against the calculation decision by contacting the Financial Assessment team. A review and response will be sent to you within 20 working days.

14. Getting advice or help to manage your finances

It can be helpful to get independent financial advice. Useful contact details are provided at the end of this booklet and more information is provided on our website at www.lbbd.gov.uk.

15. NHS Continuing Healthcare

If you are placed in a nursing home by a health professional from the NHS because you need long-term health care, it will be paid for by the NHS. This is sometimes called NHS continuing healthcare. You will not be charged.

16. Mental Health after care

If you are placed in a care home under section 117 of the Mental Health Act 1983, you will not be charged while that section is being used to provide your care.

17. Deferred payment agreements

A deferred payment agreement means that you should not have to sell your home in your lifetime to pay care home bills.

It's an arrangement with the council that will enable you to defer paying for the cost of your care home against the value of your home. This represents a loan against your property to help with care home bills. You can delay repaying us until you choose to sell your home, or until after your death. The amount you can defer will depend on the value of your home. You may still need to pay an assessed charge based on your income and capital towards the cost of the care home.

18. Who can get a deferred payment?

You should be eligible for a deferred payment agreement if:

- you are receiving care in a care home or you are going to move into one soon, and
- you own your own home, and
- you have savings and investments of less than £23,250 (not including the value of your home or your pension pot).

There are circumstances where a deferred payment agreement cannot be considered, for example, it cannot be offered if your partner or a dependent lives your property.

If you have more than £23,250, we may still offer you a deferred payment agreement. Contact us directly to find out more.

19. When to apply for a deferred payment

You can apply for a deferred payment:

- at the point of moving into a care home, or
- when you have been in the care home and your savings fall below the threshold or
- when your partner/dependant no longer lives at home

20. When to repay a deferred payment

You can sell your home and repay the deferred payment agreement at any point. Following your death, it will be paid from your estate.

21. The cost of setting up a deferred payment

Every council is entitled to charge an administrative fee for setting up a deferred payment agreement to cover the costs in setting up your deferred payment agreement, and not to make a profit. As of 2023 the initial setup fee is £500. The council may also charge for additional costs incurred during or at the end of the agreement, such as costs associated with the valuation of the property, costs of providing statements, removing or placing legal charges on the property and other costs associated with the deferred payment agreement.

We can charge interest on the amount owed to us whilst we are helping you to pay your care home bills. You will be notified of the interest rate when you start your deferred payment agreement.

Please contact us to find out more about deferred payments, or visit www.lbbd.gov.uk



22. Useful contact details

Contact the Financial Assessment Team

Contact the team at the council on
020 8227 2390 or
financial.assessments@lbbd.gov.uk

- If you have a question about how your charge has been calculated or are concerned that it has not been calculated correctly
- if your circumstances change in a way that might impact how much you pay
- if you are interested in a deferred payment

Contact the Adult Intake Team

Contact the team at the council on
020 8227 2915 or **intaketeam@lbbd.gov.uk**

- If you or someone you know needs care and support
- If you have received an invoice with incorrect support services or dates
- If you would like more information about top-ups
- If you need this document in another language or format



Adults at risk of abuse or neglect

An adult may be at risk of abuse or neglect if they are not able to protect themselves because of their care and support needs. If you are worried that you or someone you know is being abused or neglected, please contact the Adult Intake Team at the council on **020 8227 2915** or **intaketeam@lbbd.gov.uk** and call **999** if it is an emergency.



More information

You may find the following national websites useful in explaining more about charging or where to find independent financial advice:

www.moneyhelper.org.uk

(search 'long term care')

www.ageuk.org.uk

(search 'paying for care')

www.societyoflaterlifeadvisers.co.uk

(a not-for-profit organisation that provides a database of financial advisors specialising in giving advice on finances in later life)