

# Care Home Funding

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Information about the financial  
assessment for people  
thinking about moving into a  
care home

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**This information is produced by Leicestershire County Council for  
guidance only**

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## Definitions used in this booklet

<b>Capital and Savings</b>	Financial assets belonging to you, e.g. buildings, land, national savings certificates, stocks and shares, savings, some trust funds. Your main home and any other property owned, is usually regarded as capital for residential care.
<b>Council</b>	Leicestershire County Council.
<b>Deferred Payment Scheme</b>	A national scheme whereby you may be able to delay paying for your care and support, or part of it, until a later date (often after your death), provided you meet the eligibility criteria for the scheme.
<b>Deferred Payment Agreement</b>	The formal agreement between you and the council which outlines how you will delay paying for your care and support, or part of it and you agree to the council placing a legal charge on your property, see definition of legal charge below.
<b>Deputy</b>	An individual or corporate body appointed, by the Court of Protection, to make decisions about finances and property and/or personal welfare on behalf of someone who lacks the mental capacity to make the decisions themselves.
<b>Eligible Needs</b>	Those of yours or your Carers' needs which are eligible for council-funded care and support.
<b>Extra Care Housing</b>	Sometimes called assisted living provides on-site care and support, 24 hours a day, 7 days a week and is flexible to meet your changing needs. Most schemes are for people over 55 years old with some exceptions for younger adults.
<b>Guidance</b>	Care and Support Statutory Guidance issued under the Care Act 2014 by the Department of Health & Social Care.
<b>Legal Charge</b>	A legal document held by the Land Registry showing that the council has a legal mortgage on your property to recover the money loaned to help you pay for your care and support.
<b>Light Touch Assessment</b>	Usually the council will carry out a detailed financial assessment to work out how much you need to contribute towards your care and support. A light touch assessment can be undertaken instead if you do not wish to undergo a full financial assessment and the council is satisfied that you can afford and that you will continue to be able to

afford and pay, any charges due or you prefer not to disclose any information.

<b>Main Home</b>	You can have only one main home at any one time. This is the home where you normally live.
<b>NHS continuing healthcare</b>	Some people with long-term complex health needs qualify for free social care arranged and funded solely by the NHS. This is known as NHS continuing healthcare.
<b>Partner</b>	Means a someone you are married to, a civil partner or someone you live with as if you are married or are civil partners.
<b>Personal Budget</b>	Money that is allocated to you or your carer by the council to pay for care or support to meet their eligible needs. You may be required to contribute some money to your personal budget which will reduce the amount paid by the council towards the total budget to meet your eligible needs.
<b>Power of Attorney (Enduring or Lasting)</b>	A legal process that lets you appoint one or more people (known as Attorneys) to help you to make decisions or to make decisions on your behalf in relation to your health and welfare and/or property and financial affairs.
<b>Property Disregard</b>	When your main home, or other property, is not counted as part of your capital and savings for your financial assessment.
<b>Provider</b>	Organisation or person providing your care services.
<b>Self-funding</b>	This term is used when a person is paying the whole cost of their care without assistance from the council
<b>Short Stays</b>	A stay in a care home that does not exceed 4 consecutive weeks in any 12-month period.
<b>Supported Living</b>	An alternative to residential care or living with family that enables adults with disabilities to live in their own home, with the help they need to be independent.
<b>Supersession</b>	If you are getting a benefit from the Department for Work and Pensions (DWP) and your circumstances change, the DWP can decide to change the original decision that was made on your claim. This is called a supersession.
<b>Tariff Income</b>	If your capital is between the lower and upper threshold, a 'tariff income' is assumed, i.e. your capital is treated as if it

were generating extra income. This assumed income is added to your actual income when working out your entitlement under the financial assessment.

**Top-up fee**

If you chose to live in a more expensive care home the difference between the actual costs of the care provided by your chosen provider and the amount that the council has set in a Personal Budget to meet your eligible needs.

**Third/Third Party**

Someone who agrees to pay the top-up fee for you. This may be a relative, friend or charity. They must be able and agree to pay the top-up fee for the likely duration of your placement. You can only pay your own top-up fee in limited circumstances.

**Upper Threshold**

This is the level of capital and savings over which you will not qualify for financial assistance with your care and support. The current upper threshold is £23,250.

## Introduction

The information in this booklet is to help older or working age people who are thinking about moving permanently into a residential care home. It gives information about the financial assessment which is used to calculate whether someone would be entitled to financial support from the council to help pay for the cost of their place in a care home.

The factsheets referred to in this booklet are available from your community support worker and are available [on-line](#).

The decision to move into a care home can often be a difficult one to make. Before making this decision, it is important to make sure that this is the right type of care for you. You should look at all the options available before you decide that permanent residential care is the best solution to your circumstances ask your community support worker for more information, or contact the council's Customer Service Centre on 0116 305 0004 or see the ['Choosing the best place to live'](#) section on the council's website:

You may also wish to take independent financial and legal advice you can find details of how to do this in the financial advice section of this booklet.

The council will assess your care needs to see whether you meet the eligibility criteria for residential care; we will then do a financial assessment with you to work out how much you should pay towards the cost of your care and how much the council should pay. We will comply with the Care Act 2014 and related regulations.

If you are thinking of moving to live in a care home, we recommend that your care needs are assessed by the council even if you can afford to pay the whole cost of your care, known as 'self-funding', your care. If you think you might need financial assistance from us in the future, perhaps when you no longer have enough savings, it is important that we have agreed that you are eligible for the type of care that you are planning to have. If you have not done this, you may need to move to alternative accommodation when you require financial help from us.

The financial assessment takes the view that people should only be required to pay what they can afford towards the cost of their care. You will need to give information about your financial circumstances so that we can work out how much you should pay. Your financial assessment will normally be reviewed each year but can be reviewed at any time if there is a change in your financial circumstances.

## **If you have capital and savings over the upper threshold, excluding the value of your main home**

If you want to move into a residential care home, the upper threshold for local authority support for a permanent care home placement is capital/savings over £23,250. Capital includes things like savings, investments, the value of property and land. Some types of capital can be disregarded in calculating your total; therefore, it is advisable to request a financial assessment to check if your total capital that is included is above the upper threshold. If your financial assessment determines that you have savings/capital over the upper threshold, excluding the value of your home, you will have to arrange and pay the full cost of your placement directly with the care home.

Around 12 weeks before your capital and savings, excluding the value of your home, reduces to £23,250 you should contact the council's Customer Service Centre on 0116 305 0004. We will then assess or review your eligibility for care services and undertake a financial assessment. This is to calculate how much you will be required to pay towards your care when your capital has reduced to below £23,250.

If you want to move into a residential care home **and**

- You own your own home and it is not disregarded in your financial assessment, see '*If you own your own property*' below **BUT**
- Your other capital and savings are less than £23,250

You will have to arrange and pay the full cost of your placement directly with the care home unless you are eligible for the council's Deferred Payment Scheme to help you pay the care fees whilst postponing the need to sell your home. More information is available later in this booklet.

For more information see [the factsheets](#):

- [Savings over the upper threshold](#)
- [Savings over the upper threshold but no access to funds](#)
- [Do you own a property?](#)
- [Capital, gifting of assets](#)

## **Legal responsibility to make decisions**

To talk about financial assessments, you need to have the ability to make financial decisions for yourself; this is called mental capacity for property and financial affairs.

If you have mental capacity but would like someone else to help you make decisions or to act on your behalf, you can apply for a Power of Attorney. Information and forms can be found on the internet at: [GOV.UK: Power of attorney - overview](#)

The council recommends that you consider the future and the possibility that you may lose mental capacity whilst receiving care home services. We would encourage you to appoint an Attorney who can make decisions on your behalf if you become unable to do so. If you are supporting someone who does not have the mental capacity to make financial decisions, they must have a **registered** Enduring Power of Attorney or Lasting Power of Attorney or a Deputyship Order from the Court of Protection who can act for them in relation to property and finances. DWP benefit appointeeship does not enable someone to enter into contracts on their behalf for example with the council or directly with a care home.

If a family member wishes to act for someone without mental capacity but does not have the legal power to do so they can apply for a Deputyship. Information and forms can be found on the internet at: [GOV.UK: Become a deputy - overview](#)

Whilst an Attorney / Deputy application is being processed the council will pay the cost of care to the Provider. Once the Attorney / Deputy application is awarded, the council will undertake a financial assessment and if you are responsible for paying the full cost of your care home, stop this arrangement and the Attorney / Deputy must arrange to pay outstanding debt to the council.

## **Financial Advice**

If you are planning for your care and support needs for the future, it is important to get the right financial advice as you will be expected to contribute to the cost of your care service. The cost of care can be high so it's important that you get good advice on how you can best meet these costs.

If you wish to find your own financial advice we recommend that you use an advisor or company that is [registered with the Financial Conduct Authority](#).

## **NHS funded Continuing Care**

If you have high levels of nursing care needs, you may be eligible for 100% NHS Continuing Care funding. The NHS will need to assess whether you are eligible for this funding. For more information see the [NHS website](#).

The council will be able to advise you about Continuing Care funding; contact the council's Customer Service Centre on 0116 305 0004 who will help you to arrange a joint assessment between the council and the NHS. The decision on whether Continuing Health Care funding is awarded is made by the NHS.



## How the council works out how much to pay for your residential care

The council uses categories, called bands, to determine how much we should pay for your residential care. A summary of the main residential bands is included here. If you would like more information, please ask your Adult Social Care worker.

### **RESIDENTIAL Band**

An assessment of these people will indicate that their needs exceed those that can safely and/or cost effectively be met in a community setting. A risk assessment should be completed and clearly indicate why risks are not able to be managed within existing services or through existing support mechanisms.

People with this level of need will typically have a degree of disability/frailty that can be associated with their age and/or they will be experiencing considerable difficulty arising from sensory disabilities, physical disabilities, mental health difficulties and/or dementia.

In effect this group of people will need support with a range of daily living activities as opposed to simply requiring supervision or help during the day and night. (It may, however, include a significant level of supervision/observation to maintain safety.) This will include the need for supervision, care or support over a 24-hour period with:

- A) mobility, high risk of falls and/or orientation
- B) equipment and adaptations to assist with daily living
- C) assistance or prompting with eating,
- D) personal care,
- E) medication administered,
- F) managing continence in a dignified manner
- G) managing distress

11. The level of care delivered to this group of people will be routine, predictable and with a moderate level of staff resource required.

### **RESIDENTIAL PLUS Band**

This definition applies to people who have needs in addition to those included within the Residential definition. These people will require considerable management and support through additional staff attention for prolonged periods of time. These needs may be related to complex physical care needs or be related to behaviours that challenge. It may include frequent and regular observations/supervision to maintain safety.

N.B. Meeting behaviour needs is a category to consider for Residential Plus banding but is not an eligible social care outcome in itself. Any additional commissioned support and oversight for behaviours that can challenge will require funding and agreement from

ICB/CHC/Commissioned Community Health services. In particular where additional 1:1 is required or where the placement becomes at risk. This will need to be accessed through referrals to community health services and DST-CHC or CHC Care reviews.

This group of people will need most of their needs met as follows:

- A) Most personal care tasks carried out by two or more members of staff during the day and/or night.
- B) Assistance with transfers by two or more members of staff and has a significant risk of falls.
- C) Assistance with mobility by two or more members of staff and has a significant risk of falls
- D) Appropriate management of frequently occurring (or highly likely) behaviours that challenge and requires considerable management and support through additional staff attention. Often requires support by two or more members of staff and may result in the regular use of physical intervention techniques that have been subject to a Best Interest Assessment and consequent DOLs plan.

**The level of care delivered to this group of people will be complex, urgent and unpredictable with a high level of staff resource required.**

### **NURSING Band**

This definition applies to people who have been awarded Funded Nursing Care (FNC) and are resident in a care home which is registered to provide nursing care services.

People with nursing needs who need attention and care under the constant supervision and availability of a qualified nurse would need to be considered for a placement in a nursing home.

The primary function of nursing home care is to support or maintain a person's quality of life by providing a level of ongoing care requiring direct nursing involvement or supervision beyond that which the community nursing services can reasonably provide.

This group of people will require nursing care services provided by a registered nurse which involves:

- A) The provision of care, or
- B) The planning, supervision or delegation of the provision of care, other than any services which, having regard to their nature and the circumstances in which they are provided, do not need to be provided by a registered nurse.

The Nursing Band will be applied when FNC eligibility is agreed. The process to determine FNC is defined by the National Framework for NHS Continuing Healthcare and NHS funded Nursing Care July 2022 (Revised) which should be read alongside the NHS-funded Nursing Care Practice guidance August 2022.

The FNC eligibility determination will consider the following care domains:

- A) Breathing
- B) Nutrition
- C) Continence
- D) Skin Integrity
- E) Mobility
- F) Communication
- G) Psychological & Emotional Needs
- H) Cognition
- I) Behaviour
- J) Drug Therapies & Medication
- K) Altered States of Consciousness

Individuals who are in receipt of nursing care banding are entitled to continue to receive it until:

- A) On review, it is determined that they no longer have any need for registered nursing care; or
- B) They are no longer resident in a care home that provides registered nursing care; or
- C) They become eligible for NHS Continuing Healthcare; or
- D) They die

**The level of care delivered to this group of people will be complex with a high level of staff resource required.**

The banded rate is your maximum personal budget to help pay for your care and support needs. If you are required to pay a contribution towards the cost of your care that amount is deducted from your maximum personal budget.

For example,

maximum personal budget	£798.00 per week
take away the assessed contribution	- £280.00 per week
the council will contribute	£518.00 per week

The council will pay the full amount to the care home provider and invoice you for your contribution towards the cost of your place at the care home. The council reviews its banded rates each year.

### **Choosing a care home that is more expensive than the council's rates**

If you need care and support to be provided in residential or nursing care, extra care or supported living, the council must make sure that you are offered at least one place that is suitable in relation to your assessed needs and can be paid for within the council's banded rates. This means that we must offer you an affordable option.

## Top-Up Arrangements

If you choose a more expensive accommodation than the amount within the council's banded rates, you may have the option to make a Top-Up payment. The Top-Up payment is the difference between the actual costs of the care home you have chosen and the rate that the council has calculated for your needs. The Top-Up payment would be in addition to any contribution you are required to make towards your banded rate under the financial assessment.

You may have the option to use a "**First Party Top-Up**" arrangement. This is where you can pay the extra cost. You can do this if:

- You are eligible for a 12-week property disregard, see 'If you own a property' on page 15 OR
- You have a deferred payment agreement (DPA) in place with the council. The terms of the DPA agreement will include details of the top-up arrangement and if the top-up payments are also deferred OR
- You are receiving accommodation provided under S117 'after care' of the Mental Health Act.

If you do not meet those criteria one or more Third parties could pay the top-up for you. This is called a "**Third Party Top-up**" arrangement. Third Parties can be a relative, friend or charity and they will need to have a contract with the council confirming the arrangement

- The Third Party is advised to take appropriate independent financial advice before entering into the Third Party Agreement.
- The person making the top-up will need to prove they are able to meet the additional cost of the placement for the likely full duration of your stay.
- If there is a breakdown in top-up payments the council may have to make alternative arrangements to meet your needs. This means you may have to move to another home.
- The council will ensure that the alternative is suitable, meets your eligible needs and is affordable within the council's banded rate.
- Before considering a move, the council will carry out a new assessment with you which will take account of your wellbeing.

Example:

Your maximum personal budget is	£798.00 per week
If you choose a more expensive care home that costs	£1,000.00 per week
The Top-up payment would be (£950.00 – £750.00)	£202.00 per week

Therefore:

You will pay the council the assessed contribution of	£280.00 per week
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The Top-up payee(s) will pay the council	£202.00 per week
And the council will pay the care home the full cost of	£1,000.00 per week.

You can ask your social care worker for the separate [Third Party top up payments factsheet](#) for more details.

## The Financial Assessment

You will be asked to complete a financial assessment giving details of your income, savings and capital so that the council can calculate how much you can afford to pay towards the cost of your care.

If you do not want to tell us about details of your income, savings and capital you will need to organise and pay the charges to the care home rather than the council. You should check with the care home what their charges would be. Care homes often charge significantly higher care fees for privately funded residents, rather than the rate charged to the council.

We will review your financial assessment every year to ensure that the details we hold for you are accurate. If your circumstances change at any other time, you should let us know as it may affect the amount you pay towards the cost of your care.

When we have worked out how much you should pay towards the cost of your care, we will invoice you 4-weekly in arrears. The council prefers you to pay by direct debit. Any contribution you are required to pay is deducted from the amount the council pays towards your maximum personal budget and is also in addition to any Top-Up arrangement for a more expensive placement.

The Charging Policy for Social Care and Support sets out how the Council charges people who receive care and support services. This policy is based on the requirements of the Care Act 2014 and The Care and Support (Charging and Assessment of Resources) Regulations 2014, as amended. The full policy can be viewed on the council's website at <https://www.leicestershire.gov.uk/sites/default/files/field/pdf/2022/1/31/lcc-charging-policy-care-act.pdf>

## Couples

If you are planning to move to a residential care home permanently and you are married, in a civil partnership or living with someone as a couple, the council will only use **your** individual income, capital and savings when we work out how much you have to pay towards the cost of your care.

If you have capital and savings that you own with another person, the council will assume that you own half the amount. The council will include that amount in your capital and savings unless you supply written proof of other arrangements.

If both you and your partner are planning to move to a residential care home permanently, the council will look at your finances individually.

For more information see the factsheet:

- [What happens to my spouse/partners benefits?](#)

## What Income and Capital is taken into account?

Most of your income and capital will be included when the council works out how much you can afford to pay towards the cost of your care.

### Capital

Capital includes property, land, stocks, shares, bonds, savings etc. Some types of capital are not included in the assessment, for example:

- Your personal possessions
- The surrender value of any life insurance or annuity
- Trust funds that were awarded for personal injury or criminal injuries compensation.

Capital normally belongs to the person whose name it is held in. If the capital is held in joint names only your share will be included in the financial assessment. Full details are in the council's [Charging policy for adult social care](#).

### Equity Release

If you have taken an Equity Release Plan (or similar), out on your property you will need to provide the council with a copy of the relevant paperwork. This will help us to decide the value that should be included in your capital.

For more information see [the factsheets](#):

- [Savings over the upper threshold](#)
- [Savings over the upper threshold but no access to funds](#)
- [Do you own a property?](#)
- [Capital, gifting of assets](#)

### If you own a property

If you are the only owner of your main home the council will usually take the value of your equity in the property into account when they add up the value of your total Capital and Savings and calculate how much you should pay towards your residential care service.

If someone still lives in your property as their main home the value will not be included in your capital if they are:

- Your partner or former partner, except where they are estranged\*.
- A lone parent who is your estranged or divorced partner.
- Your relative or member of your family who is:

- Aged 60 or over, or

- A child, including adopted, fostered and step-children, who is under 18 years old, or
- Someone who is incapacitated.

The council may not count your property as capital if the person who lives there gave up their home to look after you and has nowhere else to live. However, if the property becomes empty or is sold the council will do a new financial assessment to include the value of the property/proceeds of sale.

\*Estranged means that there has been a breakdown in the relationship and you no longer consider the other person as your spouse/partner.

## Right to Buy

If your property is a former council house and someone else helped you to buy it through the Right to Buy scheme, the council may not count all its value in your capital. The person who helped you buy your house will need to give the council evidence of their contribution. The minimum value which will be included in your capital and assets will be the amount of percentage discount given to you when the property was purchased.

For more information see [the factsheets](#):

- [Do you own a property?](#)
- [Capital, gifting of assets](#)

If you own a property with someone else and the co-owners do not meet the conditions above, your share of the property value will be added to your capital and assets.

If you own more than one property, the value of all the properties will usually be included in your capital and assets unless any of the above conditions are met.

If you own a property which you do not live in as your main home, the council will add the value of that property to your capital and assets when we calculate how much you should pay towards your residential care service.

## 12-week Property Disregard

If you want to move into a residential care home and:

- You own your main or only home AND
- Your other capital and savings are less than £23,250

You may be eligible for a 12-week property disregard when you first enter a care home. This means that the council will not include the value of your home when they calculate how much capital and assets you have for the first 12 weeks of your stay.

The 12-week property disregard does not apply to short stays, respite stays or reablement stays.



You are only allowed one 12-week property disregard in any 52-week period; if you return to your previous home but then re-enter residential care you cannot have a 12 week property disregard for both periods of residential care if they fall into the same 52-week period.

While the 12-week property disregard is in place, we will work out how much you need to pay towards the cost of your care based on your other capital, savings and income.

When the 12-week period ends, we will add the value of your property to your capital and savings when we work out how much you need to pay towards the cost of your care.

The 12-week property disregard only applies to a permanent resident's main or only home for the first 12 weeks in a care home. If you have been in a care home for some time you will not be automatically entitled to have your home disregarded.

After the 12-week property disregard you may wish to apply for the council's Deferred Payment Scheme.

If you do not apply for or are not accepted to the council's Deferred Payment Scheme you will have to arrange and pay the full cost of your care home place directly with the care home.

For more information see the factsheet:

- [12-Week property disregard](#)

## Income

### If you have assessed capital and savings between £14,250 and £23,250

If you have capital between £14,250 and £23,250 (excluding the value of your home and/or which cannot be disregarded) the council will apply "**tariff income**" in the financial **assessment**. This means that for every £250 of capital, or part thereof, between £14,250 and £23,250 £1 per week is added to your other income.

For example:

If you have capital of	£18,100
Take away the lower threshold	£14,250
This leaves	£3,850
Divide the additional capital (£3,850) by	£250
This gives	£15.40.
This is rounded up to	£16.00 tariff income to be included in your financial assessment.

Tariff income is meant to represent an extra amount a person should be able to contribute towards their care costs due to their capital. It is not intended to represent the interest earned on that capital.

The council will not include the following when calculating your income:

- Mobility component of the Disability Living Allowance or Personal Independence Payment
- War Widows special payment
- Christmas bonus
- Winter fuel payment
- Income from savings
- Child tax credit
- Guardians allowance
- £10 per week of war widows/widowers disablement pension
- War Disablement Pension, with the exception of Constant Attendance Allowance from 10/04/2017 onwards
- Income from a mortgage protection policy, up to the cost of your mortgage payments.

Some other types of income are not included in the assessment. Full details are in the council's [Charging policy for adult social care](#) or phone the Customer Service Centre on 0116 305 0004.

## **Occupational / Private Pension or Retirement Annuity**

If you are in a care home, you can transfer up to half of your occupational / private pension to your spouse / partner who remains at home.

If you do this the council may not take that amount into account when they calculate the amount you should pay towards your care service.

Further criteria must be met before we can do this. If you would like more information you can look on the council's website [Your benefits when you move into a care home](#) or phone the Customer Service Centre on 0116 305 0004.

You should consider getting advice before making decisions on how to manage your occupational / private pension as it may affect your spouse's / partner's benefit entitlement.

For more information see the factsheet:

- [What happens to my spouse/partners benefits?](#)

## **Pension Pot**

A pension pot means the amount of money available for your private pension.

Changes introduced by the Government from April 2015 allow you more freedom on how you can use your pension pot. You are recommended to consider getting independent

advice when you plan how to use or access your pension pot. If you or your partner takes any money from your pension pot you must tell the council when you complete the financial assessment form.

Income available from a personal pension scheme or occupational pension is not taken into account whilst you are under your state retirement pension age. Once you have reached your state retirement age if you defer or fail to draw an income from your pension pot you will be assumed to have 'notional income' of the same amount that you could take from your pension pot.

## Personal Expenses Allowance

Under the financial assessment you are allowed a **Personal Expenses Allowance** of £28.25 per week. This amount is set by the Government for you to buy personal items. This amount is taken off your income in the financial assessment.

## Household Expenses

The council may allow additional costs to meet the housing expenses of your previous home, sometimes for only a limited period. These include rent/mortgage, water rates, utilities, buildings insurance, lifeline and service charges.

Allowable household expenses for residential care placements	Short stays/respice	Permanent Care – Property (main home) taken in to account – weeks 1 – 12	Permanent – Rented property – weeks 1-4 only (Exceptions for Shorthold tenancy agreements)
Water Rates	✓	✓	✓
Council Tax	✓	x Council Tax Exemption available from district council	x Council Tax Exemption available from district council
Rent/Mortgage	✓	✓	✓
Ground Rent/Service Charge	✓	✓	✓
Home Buildings Insurance	✓	✓	✓
Gas/Electricity (see below)	✓	✓	✓
Lifeline Fees	✓	✓	✓
Debt repayment by instalments under a Court Order	✓	✓	✓

Standard amounts are allowed for gas and electricity usage depending on whether the property is occupied or empty and therefore only requires frost protection. The amounts are based on average consumption figures published by British Gas. The current amounts are £10.61 per week for empty properties and £37.61 per week for occupied properties which may be divided by the number of usual occupants.

Exceptions or any requests for additional costs will be considered on their merits.

## Giving away, or failing to apply for, capital or income

If the council decides that you have given away any capital to try and avoid paying as much towards the cost of your care, we will usually complete your financial assessment as though you have the capital still available to you.

If you have transferred an asset to a third party to avoid the charge, the third party could be liable to pay the council the difference between what it would have charged you and does charge you. There is no time limit on how far back the council can look if we believe you have given away any capital or income for this reason.

In some instances, you may need to apply for access to capital assets or income that you have not yet applied for. Where the council treats capital or income as available on application as notional capital or income it will do so only from the date at which it could reasonably be acquired by you.

For more information see the factsheet:

- [Capital, gifting of assets](#)

## Deferred Payment Scheme

The Deferred Payment Scheme may allow you to delay selling your home during your lifetime to pay for the care you receive in a care home by making an agreement with the council, called a Deferred Payment Agreement (DPA). Please ask your social care worker for the separate [Deferred Payment Scheme information sheet](#) for further details.

- You, or your representatives, are advised to seek appropriate independent financial and legal information and advice before the DPA is completed.
- A DPA allows you to delay selling your home in your lifetime to pay for your care. By entering into a DPA you can delay paying for your care and support until a later date (often after your death).
- If you have eligible needs and are receiving or are going to move into a care home, an extra care service or a supported living service, you can apply for a DPA.
- A DPA can last until your death or until the allowed equity in the property is used up, or it can be used as a “bridging loan” to give you time and flexibility to sell your home at a time that is convenient to you.
- If you enter into a DPA the council will place a legal charge on your property to secure the deferred costs. If you have another loan secured on the property, the lender(s) would need to agree to the council’s legal charge in order to be able to complete a DPA. The legal charge will be removed when the outstanding debt, including interest and fees, has been paid in full to the council.
- If your property is jointly owned, all the owners must agree and sign DPA.
- The council will charge fees to cover the initial application and setup costs of the DPA as well as an annual fee to cover the ongoing administration costs. The current costs are set out in the Deferred Payment Scheme Information Sheet.

- The council will charge compound interest on the deferred costs. The interest rate will be the national maximum interest rate published by central government (in the Economic and Fiscal Outlook published by the Office for Budget Responsibility). The interest rates are set out in the Deferred Payment Scheme Information Sheet.

For more information see the factsheet:

- [Deferred Payment Scheme Information Sheet](#)

## Benefits

If you pay the full cost of your care you will usually still be entitled to receive Attendance Allowance, or Disability Living Allowance or Personal Independence Payment.

Because you are moving into a residential care home you may be entitled to receive the higher rates of Attendance Allowance, Disability Living Allowance Care Component and Personal Independence Payment Daily Living Component if you are not already doing so. You should seek advice about this before asking the Department of Work and Pensions (DWP) to undertake a review as your existing award, or any mobility component, could be affected.

Dependent on your income and amount of capital you may also be entitled to receive Pension Credit, Universal Credit or Income-related Employment Support Allowance.

In most cases, if you are eligible for a 12-week property disregard, payment of Attendance Allowance, Disability Living Allowance Care Component and Personal Independence Payment Daily Living Component should be suspended after you have been in a care home for 28 days and for the remainder of the 12-week period.

If you are paying for your care home place, directly to the home or under the deferred payment scheme, when the 12-week property disregard period has ended, you will then be entitled to receive Attendance Allowance, Disability Living Allowance Care Component and Personal Independence Payment Daily Living Component again.

Some benefits change when you receive a 12-week property disregard. You should notify the relevant DWP office and let them know that you are receiving assisted funding from the council for the first 12 weeks of your residential stay and again if you are responsible for paying the full costs of your care home place after the 12-week property disregard period.

You should apply for social security benefits from the DWP as early as you can so that you receive your full entitlement. You are advised to contact the DWP to advise them that you have moved into a care home. Contact numbers can be found at the end of this booklet.

If you experience any difficulties with any aspect of your benefits claim and you are eligible for council funded care, you should ask your social worker to refer you to the Adult Social Care Finance Benefits Team for assistance.

If you are not eligible for council funded care and experience difficulties with your benefits claim you should contact an independent organisation for assistance. You can either search for a benefits advisor on the internet or you could contact [Turn2Us](#)

For more information see the [factsheets](#):

- [Pension Credit](#)
- [Attendance Allowance, Personal Independence Payment and Disability Living Allowance](#)
- [Universal Credit and Contributory ESA](#)

## **Attendance Allowance (AA)**

- AA is a benefit for people who have reached State Pension age they first claim. It is for people who need help with personal care during the day and/or the night or need supervision to avoid common dangers.
- AA is not means-tested and it is tax-free.
- You must normally have had care needs for six months before AA can be paid but you can make a claim earlier.

## **Personal Independence Payment (PIP)**

- PIP is a benefit for disabled adults who are aged under State Pension age when they first claim and who need help with daily living tasks and/or mobility.
- PIP is not means-tested and is tax free.
- You must normally have had care needs for three months before PIP can be paid but you can make a claim earlier.
- If you started to receive PIP before you were State Pension age you will continue to receive it after you reach State Pension age. You do not need to transfer to AA.

## **Disability Living Allowance (DLA)**

- DLA was a benefit for disabled people under 65, when they first claimed, who needed help with personal care and/or mobility or supervision to avoid common dangers.
- DLA is not mean-tested and is tax free.
- If you started to receive DLA before you were 65 you will continue to receive it after your 65<sup>th</sup> birthday. You do not need to transfer to Attendance Allowance (AA).
- If you were 65 years old before 8 April 2013 you will not be required to transfer to the Personal Independence Payment (PIP).
- If you are receiving DLA and were under 65 on 8 April 2013 you will be invited by the DWP to claim PIP instead when your current award is due to end or at a later date.
- If you are receiving DLA and were under 65 on the 8 April 2013 and your needs have changed you will be re-assessed under the new PIP criteria. We recommend that you seek advice before requesting a supersession as your current award could be affected including any mobility component.

## Universal Credit for people of working age

- Universal Credit is a monthly payment paid to people under state retirement pension age including those whose ability to work is limited by ill health or disability. It's being introduced in stages and is replacing other means-tested benefits. If you require any additional information you can find it at <https://www.gov.uk/universal-credit>

## Employment Support Allowance (ESA) for people of working age

- ESA is a benefit paid to people under pension age whose ability to work is limited by ill health or disability. If you require any additional information you can find it at <https://www.gov.uk/employment-support-allowance>.
- To claim ESA, you should contact the Jobcentre Plus.

## Pension Credit (PC) for people of state pension credit age or over

Pension Credit can be made up of two parts:

- Guarantee Credit. Paid to people of state pension age or over whose income is below set amounts. It tops up weekly income to a guaranteed minimum level.
- Savings Credit. Paid to people who were over 65 before 6 April 2016 and who have income above set amounts and have saved some money towards their retirement or have a small private pension.
- If you are a couple where one person reaches State Pension age before 6 April 2016 and the other on or after 6 April 2016, you can only get Savings Credit if one of you;
  - was already getting it immediately before 6 April 2016 and
  - has been entitled to it at all times since 6 April 2016

You will need to provide proof of your income, savings and any other capital. For Pension Credit purposes as a resident in a care home, any savings you have over £10,000 will be assessed as providing a weekly extra tariff income of £1.00 per week for every £500 or part of.

For example:

If you have savings of	£12,000
Take away the first	£10,000
Leaves	£2,000
Divide by	£500
Gives	£4.00 tariff income per week to include in your income for the Pension Credit calculation



The value of your former home will normally be included in the amount of capital that you have unless you can show that you are taking reasonable steps to sell the property.

## Council Tax Reduction

The amount that your spouse / partner has to pay for council tax may change when you move into a care home. For example, they may be entitled to a 'single person's discount' if they are the only adult living in the property. Please contact your local district council for advice.

## Changes to Benefits while in Hospital or Residential Care

This can be a very complicated area. The basic details are shown in the table below but you are advised to seek independent advice for your specific circumstances.

	Attendance Allowance	Disability Living Allowance	Personal Independence Payment	Pension Credit	Employment and Support Allowance
After 4 weeks in hospital	Suspended	Suspended	Suspended	Payable	Payable
After 4 weeks in permanent residential care	Suspended	Care component suspended. Mobility component continues	Daily living component suspended. Mobility component continues	Payable	Payable
Absent from residential care	Seek advice	Seek advice	Seek advice	Payable	Payable
Paying full cost of care	Payable	Payable	Payable	Payable	Payable
Deferred Payment Agreement	Payable	Payable	Payable	Payable	Payable
12-week property disregard	Suspended	Care component suspended. Mobility component continues	Daily living component suspended. Mobility component continues	Payable	Payable

Please note the effect on these benefits is different if your placement is 100% funded by Continuing Health Care from the NHS, please seek advice. For more information see the [NHS website](#)

## Nursing Homes

### Registered Nursing Care Contribution (RNCC)

The council is not responsible for arranging or funding the **nursing** element of care for residents in **nursing homes** although we will still be able to arrange and fund accommodation and personal care costs.

The council will complete a financial assessment to calculate how much residents will be required to pay towards the cost of their accommodation and personal care, but not nursing care.

Nursing care, in this context, means care by a registered nurse providing, planning and supervising your care in a nursing home. This includes the time spent by a nurse in supervising or monitoring the care you get from other members of staff.

Help is available from the National Health Service (NHS) towards the cost of nursing care fees. This is called the Registered Nursing Care Contribution (RNCC).

If you live in a **residential care home** your nursing care will be supplied by the community nursing service. The RNCC will not be applicable and you will not be required to pay for your nursing care.

If you are planning to move into a nursing care home and pay for your own care in the future, you are advised to contact your local Health Authority and request an assessment before making a firm decision to see if you meet their criteria for funding. Ask the prospective nursing home for details of the Health Authority contact for their area.

If you meet the Health Authority's criteria for receiving nursing care:

- You will be entitled to a payment of £235.88 standard rate per week (2024/2025). This is paid directly to the care home.

If you are paying for the full cost of your care, you will need to arrange a reduction in your fees with the nursing home.

### Review of Nursing Care Needs

Anyone entering a nursing home should have their nursing needs reviewed within three months and, again, after 12 months or whenever there is a significant change in your health. Your nursing home will arrange this review for you with the Health Authority.

## Useful Contacts

- **Leicestershire County Council** - [leicestershire.gov.uk](http://leicestershire.gov.uk)

Customer Service Centre - Telephone: 0116 305 0004

To arrange a Care and Support Assessment and get a copy of the Directory of Registered Care Homes or advice regarding any aspect of residential care and charging.

- **Care Quality Commission (CQC)** - [cqc.org.uk](http://cqc.org.uk)

The CQC monitor, inspect and regulate services to make sure that they meet acceptable standards of quality and safety. They publish their findings to help people choose care services.

For general information regarding care homes (but not funding issues), including copies of inspection reports about specific care homes.

CQC National Correspondence  
Citygate  
Gallowgate  
Newcastle upon Tyne  
NE1 4PA

Telephone: 03000 616 161

- **Age UK**

Advice line: 0800 055 6112

Website: <https://www.ageuk.org.uk/information-advice/>

- **Age UK Leicester Shire & Rutland**

Information and Advice helpline: 0116 299 2278

Website: <https://www.ageuk.org.uk/leics/our-services/information-and-advice/>

- **Carers UK**

Telephone helpline providing information is open on Mondays to Friday between 9am and 6pm - 0808 808 7777

Website: <https://www.carersuk.org/help-and-advice>

- **Citizens Advice**

Adviceline: 03444 111 444

Website: <https://www.citizensadvice.org.uk/>

- **Independent Age, advice and support for older age**

Helpline on 0800 319 6789

Website: <https://www.independentage.org/>

- **Department for Work and Pensions**

1) The Pensions Service can assist people with matters including Pension Credit and Retirement Pension.

Tel: 0800 731 0469 for Pension Credit enquiries

Tel: 0800 99 1234 for Pension Credit new claims

2) Universal Credit Helpline

Tel 0800 328 5644

3) The Jobcentre Plus can assist people with Employment and Support Allowance and Income Support.

Tel: 0345 608 8545 for Jobcentre Plus enquiries

Tel: 0800 055 6688 for Jobcentre Plus new claims

### **Attendance Allowance/ Disability Living Allowance / Personal Independence Payment Help Lines**

[GOV.UK: Benefits/disability](https://www.gov.uk/benefits/disability)

Telephone (or textphone for people with speech or hearing problems) helplines operated by the Department for Work and Pensions to give advice about Attendance Allowance, Disability Living Allowance and Personal Independence Payment.

#### Attendance Allowance Helpline

Telephone: 0800 731 0122

Textphone: 0800 731 0317

#### Disability Living Allowance Helpline

If you were born on or before 8 April 1948

Telephone: 0800 121 4600

Textphone: 0800 121 4523

If you were born after 8 April 1948

Telephone: 0800 731 0122

Textphone: 0800 731 0317

#### Personal Independence Payment Helpline

Telephone: 0800 121 4433

Textphone: 0800 121 4493