Factsheet 7: Paying for your care and support

Having a financial assessment

How we assess your finances if you need support at home or a place in a care home

We need to know about your income and your capital before we can decide whether we can help towards the cost of any funded support that you may need.

Income includes pensions, allowances like Disability Living Allowance, Personal Independence Payments, Attendance Allowance and Employment and Support Allowance. We don't count wages.

Capital includes savings, ISAs, property you don't live in, Premium Bonds and shares in companies.

There are different rules for financial assessments for people who are living in their own home and those who stay in a care or residential home. However, we use one form, a "Financial Declaration" to gather all the information we need to work out how much you will contribute to the support services you need.

If you do not want us to assess you based on your finances, we will assume you are able to meet the full cost of any services you need without assistance from us.

How does my capital affect my assessment?

By capital we mean any money you own and can access, or any property you do not occupy as your main residence.

If you live permanently in a care home, this may include your former home. If you have capital more than £23,250 then the council does not have to provide you with any financial support.

Capital below £23,250 and above £14,250 is taken into account, but doesn't exclude you from receiving funded support, if that is what's required to meet your needs. We are only interested in any capital which belongs to you alone, or that which you hold jointly with another person.

We are not interested in capital belonging to your partner.

What we count as capital:

- Savings, money in bank accounts, cash, ISAs, Premium Bonds
- Shares
- Land
- Property that you own but don’t live in
- Your share of any capital, land or property that you jointly own with someone else, other than your own home
- Capital disposed of to bring your capital resources to under £23,250
- Money you may have a saved for a specific reason, e.g. funeral costs

What we don’t count:

- Your home, if you live in it, or if a close relative over 60 or with an incapacity lives in it
- Investment bonds or Savings bonds if they have life assurance or insurance included
- Personal Injuries awards (unless part of the award is to pay for care)
- Annuities (funds to pay a personal or occupational pension)
- Money from the sale of your home, if you intend to use it to buy another home

Please note these lists are not exhaustive and a full list is in Schedule 2 of the Care and Support (Charging and Assessment of Resources) Regulations 2014.

Care at home

If you are being discharged from hospital

If you have been told you will need support to go home from hospital, then Shropshire Council may provide specialist workers to help you return home. This may be to check you are safe and able to cope or to help you for a few weeks until you are able to care for yourself.

If this is provided by ICS (Integrated Care Support) or START (Short Term and Re-ablement Team) you may be eligible to receive up to six weeks free from any charge. If you need support for more than the allocated number of free weeks, we will assess you to see what your contribution will be.

If you need continuing support whilst living in your own home

This support may include:

- Specialist workers coming to your house to help you with your personal care.
- Attending a day care centre
- Planned short breaks in a care home

The support you are expected to need for a year is combined into one cost called a Personal Budget (PB). The funds to cover the cost of your Personal Budget include a mix of what the council pays and what we expect you to pay from your capital and income.

How much will you be charged?

We use your completed Financial Declaration form to work out how much you can afford to contribute each week to the cost of your Personal Budget or ICS/START package.

We look at how much capital you own (as above) and how much income you have coming in each week, then take away an amount for standard living expenses and for certain types of expenditure.

The result of this calculation is called your "Available Income".

We compare the weekly cost of your Personal Budget or ICS/Start package to your weekly available income and charge whichever is the lower of these figures.

How much you contribute towards your care depends on a number of factors, including your age, who you live with, what income and capital you have. Here are two examples:

> Kevin lives on his own in supported accommodation. He is 37 and goes to a day centre 4 times a week, at a cost of £242.56 a week. He gets Employment and Support Allowance and Disability Living Allowance totaling £361.05 a week. Legislation says that he must be left with £171.75 a week. This is referred to as the 'Minimum Income Guarantee'. He has high laundry and energy costs. His contribution to the cost of his care and support is £110.93 a week.
>
> Beryl is 87 and lives on her own. She has care and support three times a day seven days a week, costing £400.68 a week. She gets

Attendance Allowance, State Retirement Pension and Pension credit totaling £312.90. Her Minimum Income Guarantee is £214.35 a week. She pays for a home help to clean her home and a gardener. Her contribution to her care and support is £31.69 a week.

What if you do not have services every week?

Your contribution is assessed on a weekly basis, but your Personal Budget is based on the annual cost of the services you need. We charge against this annual cost and not the actual cost of services within any individual week. Because of this, we will charge you for weeks in which you may not receive any services, such as short stays in hospital.

At the end of your Personal Budget year, we will look at how much it has cost for you to have services. We call this auditing. If the amount you have been charged exceeds the cost of the services you have received, you will be refunded with the difference.

What if my circumstances change?

You should notify us of any change to your circumstances which may affect your charge, including admission into hospital for more than four weeks. If you don’t tell us, we may charge you incorrectly.

If you are in a care home

(By care home we mean a nursing or residential home)

You have temporarily moved to a care home either on an unplanned or emergency basis, or you have been placed into a care home in order to assess your needs.

If you have been placed into a care home because a GP, social worker or a doctor at the hospital believe you cannot care for yourself at home, you will be charged for your stay. Using the Financial Declaration form, we work out how much you can afford to pay. We will ensure you have enough money to run your home too.

This does not form part of your Personal Budget and we will charge you separately for this.

You are in a care home for the foreseeable future

Using the Financial Declaration form we work out how much you can afford to pay: you will be left with a small personal allowance to cover such things as toiletries. The Department of Health decides the amount of the personal allowance each year. In the financial year 2023 to 2024 it is £28.25 per week.

The council has standard rates for different types of care home. If you choose to live in a more expensive care home than one that can meet your needs, you will have to find funding from elsewhere to make up the difference. This is called 'third party top–up'.

You own the house you used to live in

Providing you meet all the other eligibility criteria, the property you were living in when you entered permanent care will be ignored as a capital asset for the first 12 weeks. If you only own part of the property, we may still take it into account, but will need to consider the individual circumstances. We will still assess your ability to contribute to your care based on your income and other capital in the 12-week period.

At the end of the 12 weeks, we will treat you as being ineligible for financial support because the value of your property and capital will exceed £23,250.

If you haven't sold your property and have insufficient funds to meet your ongoing cost at the care home, you may wish to apply for a deferred payment. Find out more in Factsheet 12: Deferred Payments

You have been paying for the cost of a care home placement, but your funds have reduced. We often refer to this as 'self-funding'.

Once your capital reduces to £35,000, you should approach us on **0345 678 9044** for us to see if you will qualify for financial help.

We will assess your finances and confirm the date that you appear to be eligible from. The council will then arrange for an assessment of your needs to be carried out to establish whether funding your care home placement is appropriate to meet your assessed eligible needs. Please note, as mentioned above, that the council has fixed rates for the type of care home a resident is assessed as needing. If you are in a more expensive home, we would need to talk to you about how to fund the difference: this is known as a third-party top-up.

If this isn't possible, we may ask you to look at less expensive alternatives to meet your assessed eligible needs.

Paying 'top-up fees' in a care home

You have the right to a choice of a care home.

If you choose to live in a more expensive care home than the one offered to you by the council to meet your eligible needs, someone must be willing and able to pay the difference between the amount the council will pay and the full cost of the placement.

This additional funding is often referred to as a 'top-up'.

In accordance with the "Care and Support and After-care" (Choice of Accommodation) Regulations 2014, the 'top-up' must (except in certain circumstances which are explained below) be met by a third party and cannot ordinarily be paid by you out of your own funds.

A third party can be either a friend, relative, or charity which is able and willing to assist you in making the 'top-up'.

A decision to agree to make a third party 'top-up' should not be taken lightly. The person who agrees to pay a third party 'top-up' must be aware that in agreeing to make such a payment, they must be willing to do so for the duration of the time that you are likely to remain in a care home setting and in your preferred accommodation. Both the council and the person paying the third party 'top-up' will need to be satisfied that the arrangement will be sustainable.

The person paying the third party 'top-up' will be required to enter into an agreement with the council in which they agree to pay the third party 'top-up'. This is in addition to any contribution which the council assesses you as paying towards your care and support costs.

It is extremely important to note, that if at any time in the future a payer is unable or unwilling to continue to make the third party 'top-up' payments, your chosen placement may be put at risk. It should not be assumed that the council will agree to take over the funding of any third party 'top-ups', nor should it be assumed that any increases in care home fees will necessarily be reflected by comparable increases in your personal budget.

In the event of a payer ceasing to make third party 'top-up' payments, there is a risk, following a re-assessment of your care and support needs, that you may either have to be moved to an alternative room within your chosen care home setting, or be moved to an alternative care home which can meet your eligible care and support needs within the amount allocated in your personal budget.

The potential risk of either of these events occurring must be given careful consideration before a payer makes a final decision to commit to entering into a third party ‘top-up’ agreement.

It should also be noted that even where a third party ‘top-up’ payment is required, you will still be required to pay your assessed contribution towards your personal budget amount from your income, as set out in your support plan.

Circumstances where you can pay a ‘top-up’ from your own funds

Ordinarily the ‘top-up’ cannot be paid by you out of your own funds. However, there are certain circumstances where this is allowed.

These are set out below:

- Where you are subject to a 12-week property disregard period.
- Where you have applied to the Council for a Deferred Payment Agreement and it has been agreed by the council to allow the third party ‘top-up’ amount to be added the debt to be accrued under the Deferred Payment Agreement. Where you elect to pay your own third party ‘top-up’ as a consequence of entering into a Deferred Payment Agreement (“DPA”) the DPA shall include the amount of the third party ‘top-up’ to be paid; when and how it may be paid and when and how the DPA may be brought to an end. If added to the debt that will accrue under the DPA, then you should be aware that the third party ‘top-up’ amount will attract interest at the rate set out in the DPA.
- Where you are receiving accommodation provided under section 117 of the Mental Health Act 1983 as part of your aftercare plan.
- If you are electing to pay your own third party ‘top up’ amount as a consequence of being subject to a 12-week property disregard period or as part of your section 117 after care plan, you will need to enter into an agreement with the council to do so.

Do I have to sell my property if I go into a care home?

If you take my home into account when you work out what I have to pay for residential care, what choices do I have?

You may want to consider a number of options when entering residential care. You may also want to discuss these options with a friend or relative. This is a big decision and we recommend you get independent legal and financial advice.

The 12-week property disregard

This means that, when we carry out your financial assessment, we will not take the value of your property into account for the first 12 weeks of your permanent stay in a care home. This is to give you the opportunity to decide how to deal with your property now that you no longer live there. In those 12 weeks, we will ask you to pay a contribution based on what you can afford, which will be decided by a financial assessment. Note that if you have over £23,250 in other assets, such as savings, investments, second properties or land, you will be considered as being able to meet your care and support costs from those resources.

If the equity you hold in your property is over £23,250 you will be assessed as being able to meet your care costs yourself following the 12-week disregard period. Our financial arrangements for your care with the provider will have stopped and you will need to make arrangements with the care provider to pay for care from this date onwards. However, you may wish to take advantage of our 'Deferred Payment Scheme'.

The Deferred Payment Scheme

Following the 12-week disregard we offer the Deferred Payment scheme. Under this scheme we would continue to pay the difference between our standard residential rates and your contribution while you sell your home, or until your death. This difference is called a 'deferred contribution'.

You, or your estate (the money and other assets you have when you die), will need to pay back the deferred contribution when you sell your home or leave residential care. You, or your legally agreed representative acting on your behalf, can make an application for the deferred payment scheme. If we agree to your request for a deferred contribution, you should get independent financial advice before making final arrangements. It is important to check whether you are entitled to Income Support, Pension Credit Guaranteed Credit, Attendance

Allowance, the care component of Disability Living Allowance or the daily living element of Personal Independence Payment.

If you want to go into a care home that costs more than the amount we have agreed to pay, taking into account our standard fee rates, you can arrange for a member of your family to pay the ‘top-up’. Or you can seek advice from a financial adviser about, for example, equity release schemes, as an alternative to seeking a deferred payment from the council.

Before applying for a deferred payment, you should consider the following points:

- We will make a legal charge against your property, which means we will have the right to claim the loan back when the property is sold or changes hands.
- If your property is empty, you will need to think about:
  - how to maintain it;
  - paying for building and contents insurance;
  - paying for heating to prevent damage from damp and frost;
  - keeping it secure; and getting independent legal and financial advice.
- If you rent out your property, we will take that income into account when we work out the amount you pay for your care home. But we will reduce the amount of the deferred contribution you will have to pay back.
- If you don’t sell your property, you may not qualify for Income Support or Pension Credit. This will increase the amount of the loan. You may still qualify for Attendance Allowance, the care part of Disability Living Allowance, or the daily living element of Personal Independence Payment.
- If you do not want to sell your property during your lifetime, the amount we lend may equal the value of your home (less any allowance for the capital limit - currently £23,250 - and sale costs). You should ensure that whoever will deal with your estate is aware that they will need to arrange for the loan to be repaid.
- You will need to keep the property fully insured. You will also need to make sure that your home is properly maintained.
- Deferred payment agreements will suit some people’s circumstances better than others. A deferred payment agreement is only one way to pay for care. To find out more about the options available, you can speak to a financial adviser or seek advice from an independent organisation.