

# Funding care and support at home

## About this factsheet and who it is for

When asked, in the most, older people would prefer to remain in their own homes if they needed care and, indeed for some time now, it has been Government policy to encourage and enable this to happen. This factsheet will help you understand how to meet the costs associated with care and support at home.



The artwork on the front of this factsheet was done by an older artist for EAC's over 60s Art Awards.



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## Assessing your care and support needs

The need for care can arise for different reasons, it might be a permanent need as a result of a disability, illness or frailty in old age or, it might be just a temporary need to get over an accident or a fall. Whatever the reason, it is important to obtain an assessment of your needs. The first port of call for this is usually your local social services department who have a duty to assess the care needs of anyone who has been identified as possibly needing care and support services that can be provided by them. These could include home care, meals on wheels, day care, equipment and alterations to your home, care in a care home or respite care. There is no charge for an assessment from the council. Alternatively, if you can afford it, there are also independent agencies that can do this privately.

Professionals assessing your needs can then help you in identifying what services or support can be provided to meet your needs. These could range from home help to a live in carer or from adapting your home to recommending alternative accommodation.

Prior to April 2015, local authorities would set their own criteria for who was

considered eligible for care and support; this resulted in many local variations on what was considered an eligible care need.

However, since April 2015, national guidance for all local authorities in England has been introduced through the **Care Act 2014**; further information on the assessment process under this new legislation is explained in our factsheet: ***Care and support at home***.

Even if you will be arranging for and paying privately for your care it is still a good idea to have an assessment done to help you understand what sort of care and support you need and what is available. If you are unable to contact social services yourself to arrange this assessment, then your GP, community nurse, friend or relative can do so on your behalf.

Unless a package of care services is being provided by the local council, a restricting factor of what care and support you have might be what you can afford to purchase privately. In this factsheet we look at how council funding works and the alternatives if you do not qualify for council support.

## Council funding

Once it has been agreed that services can be provided by the council they will then carry out a financial assessment to work out if you should contribute towards the cost.

There are two stages to establishing how much funding might be available for your care, the assessment of needs described above and the means test.

If the local council has assessed you as needing, and qualifying, for care and support at home, they can either provide it directly or arrange for it to be delivered through local private or voluntary agencies. They will then work out how much you should contribute towards the cost. Although local councils have the discretion as to whether to charge for home care services, in practice most do. To work out your contribution you will normally have to undergo a means test or as it is sometimes referred to, a financial assessment, to ascertain your financial position. This will look at both savings and income to assess how much you could afford to contribute towards the cost of your care and support at home.

There is a national framework that provides guidance to local authorities on how to work out charges for home care provided or arranged by them. This is

called 'Fairer Charging Policies for Home Care and Other Non-Residential Social Services'. Similar guidance is followed in Wales, although there is a maximum weekly charge of £70 for home care services. In Scotland, personal care is free for those over 65 years, but charging still applies to non-personal care services, such as day care, luncheon clubs, meals on wheels and community alarms.

Each local authority should publish and make available to users and carers clear information about charges and how they are assessed. This information should be made available at the time a person's needs assessment is carried out and, after the means test, written information should be provided detailing how any charges are worked out and payable.

In principle, the Care Act support guidance instructs councils to allow people to retain a minimum amount of money for their own personal use, rather than it all being used to pay for care. The minimum this amount should be is set at a 25 per cent buffer above the basic level for Pension Credit Guarantee Credit. However, for 2017/18 this figure has been kept at the 2016/17 level of £189 per week.

However, in most areas if you have capital or savings in excess of the means

test limit £23,250 (£30,000 in Wales), you can be charged the full cost of your care. These are the minimum capital limits provided in the fairer charging guidance although, a few councils exercise their discretion by increasing the capital limits or might set a maximum level of charges people should be asked to pay. The value of your home is not taken into account in the means test for home care and, if only one member of a couple requires care, the means test should only take into account the resources of that person. Any joint accounts are treated as divided equally between the partners.

Local councils may charge differently depending on the services being used. For example, meals at home or in day care may be charged at a flat rate to all users, without applying a means test because they are regarded as a substitute for ordinary living costs that you might be expected to incur anyway. There is no set national guidance for how services should be charged for but normally it would be based on the hours of service provided, whatever method is used it must be deemed to be reasonable.

The following welfare benefits can be taken into account as long as in doing so it does not reduce your income to below the 25 per cent buffer described above:

- The severe disability premium of Pension Credit
- Attendance Allowance
- Disability Living Allowance (care component only)
- Personal Independence Payment (daily living component only)
- Constant Attendance Allowance
- Exceptionally Severe Disablement Allowance

The local council should provide an individual assessment of disability-related expenditure before taking these benefits into account and if necessary, ignore them if they are needed to pay for other care or support costs associated with your needs. The mobility component of Disability Living Allowance and Personal Independence Payments should also be ignored.

The council will allow an amount to be deducted from your income for housing costs for example, rent, mortgage payments and Council Tax; some may also include water bills and home insurance.

## Direct payments and personal budgets

### Direct Payments

Instead of asking for a contribution towards the cost of care services the council may offer direct payments, an amount of money they have assessed you as needing in order to buy in the services you need yourself. The money must be spent on meeting your assessed needs and records have to be kept to show how the money has been spent. Receiving direct payments give you greater choice in who the supplier of your care is and can be used to purchase most community services. They cannot though be used to pay a relative or someone else living with you unless they are employed as a live in carer.

Paying a carer direct could mean that you are an employer and with that comes employer's responsibilities for example deducting and accounting for PAYE tax and National Insurance.

*For further advice on employing a personal care assistant, speak to the Independent Living Helpline at Disability Rights UK on 0300 555 1525 or email [selfdirectedsupport@disabilityrightsuk.org](mailto:selfdirectedsupport@disabilityrightsuk.org)*

Direct payments can be stopped at anytime if you would prefer the council to arrange and provide your services.

### Personal budgets

Extending the model of cash instead of care, the Government has introduced personal budgets as a way of making money available for a person's social care with help in deciding how to use it. By bringing together monies available from different government agencies it becomes possible to include the cost of equipment and adaptations into personal budgets. For example, you may be entitled to direct payments from social services to cover care costs and, from the housing department, a disabled facilities grant for adaptations to your home.

If you consider that the council are charging you too much or your direct payments are inadequate to meet your needs, there is a process through which the council can be challenged. The council should make this information available to you should you wish to seek a review or make a formal complaint about any aspect of your assessment.

### Non-means tested care

Care provided by the NHS, such as nursing services provided by community or district nurses, is free, as is the first six



weeks (four weeks in Scotland) of intermediate care provided either to avoid an admission to hospital or to support a successful discharge.

Also, in England and Wales, if someone has been detained in hospital for assessment and treatment under sections 3, 37, 45A or 47 of the Mental Health Act 1983 aftercare services provided under section 117 of that same Act are delivered free of charge.

### **NHS continuing healthcare**

If you are determined as having a 'primary health need' after an assessment arranged by your local Clinical Commissioning Group (CCG), you will be entitled to full funding for care and support through NHS continuing healthcare.

In the majority of cases, continuing healthcare payments are made to people who are residents in residential care home or nursing homes, however it can be paid for care and support at home if this is the most effective and efficient way of meeting the individual's assessed needs.

*Further information can be found in our factsheet: NHS funding for care and support*

### **Personal health budgets**

If you are eligible for NHS continuing healthcare, you have a right to receive a personal healthcare budget. Since April 2015 anyone with a long-term condition, who could benefit, may have the option of a personal health budget.

A personal health budget is an amount of money to support your identified health and wellbeing needs as planned between you and your NHS team, they can give you more choice and control over how these needs are met. The personal health budget can be managed in several ways:

- Notional Budget - you will be informed how much money is available and you can be involved in deciding how this money is spent on meeting your needs, the NHS will then arrange the agreed care and support.
- Direct Payments - you can receive the money and use it to buy the care and support you need, as agreed with your NHS team.
- Direct payments held by a third party - an organisation or trust holds the money for you, it works with you and supports you on deciding how it is spent as agreed with your NHS team and uses it to buy in the services for you.

## Paying for care privately

If you do not qualify for local council support it may be necessary to purchase the care you need privately through home care agencies, all of which have to be registered with the relevant social care registration authority, which also inspects them to ensure the care they deliver is up to prescribed minimum standards. The cost of employing a home care agency will depend on where you live and the amount of care you need. Details of local home care agencies and the services they can provide can be obtained through your local social services department, from the Care Quality Commission [www.cqc.org.uk](http://www.cqc.org.uk) or from the United Kingdom Home Care Association (UKHCA) [www.ukhca.co.uk](http://www.ukhca.co.uk)

## Non-means tested benefits

The following benefits do not consider your capital and may help meet the cost of your care.

### Attendance Allowance

This is a non-means tested, non-taxable allowance for people aged 65 years or over who are physically or mentally disabled and need personal care or support.

There are two rates:

- lower rate £55.65 per week for people who need care day or night;
- higher rate £83.10 per week for people who need care both day and night.

Eligibility to AA is based on the need for personal care having been required for a period of at least 6 months. People who are terminally ill can qualify immediately for the higher rate without having to satisfy the six month qualifying period.

## Personal Independence Payments

Personal Independence Payments is a non-means tested, non-taxable allowance for people aged 16 to 64 with a long term health condition or disability and have difficulties related to daily living and/or mobility. You must have had these conditions for 3 months and expect them to last for at least 9 months. You may also qualify if you are terminally ill (not expected to live more than 6 months).

It is made up of 2 components:

### Daily living component

- Standard rate £55.65 per week
- Enhanced rate £83.10 per week

### Mobility component

- Standard rate £22.00 per week
- Enhanced rate £58.00 per week



## Disability Living Allowance

This is a non-means tested, non-taxable allowance for people under 65 years, who are physically or mentally disabled and need either personal care or help with mobility or both.

**Note:** It is no longer possible to make a new claim for Disability Living Allowance as the Personal Independent Payment (PIP) should be applied for instead.

It is made up of 2 components:

### Care component

- Lowest rate £22.00 per week
- Middle rate £55.65 per week
- Highest rate £83.10 per week

### Mobility component

- Lower rate £22.00 per week
- Higher rate £58.00 per week

Most people receiving DLA will need to change to Personal Independence Payments. This changeover aims to be complete by October 2017.

**Note:** If you are receiving DLA and were over the age of 65 on or before 8 April 2013, then there are currently no plans to transfer your claim to PIP.

## Carer's Allowance

This is a non-means-tested but taxable benefit paid at a rate of £62.70 per week to people who regularly care for someone who is severely disabled, living at home and in receipt of:

- Attendance Allowance; or
- the middle or highest rate of the care component of Disability Living Allowance; or
- the daily living component of Personal Independence Payments.

To qualify for Carer's Allowance you must be 16 years of age or over and spend at least 35 hours a week caring for the person. You may not get Carer's Allowance if you earn over £116 per week after tax. The benefit is reduced by the amount of certain other benefits you receive, including State Pension. Therefore, Carer's Allowance will not be paid if you receive certain other benefits of £62.70 or more a week.

## Home adaptations

In order for you to continue living in your own home it may require some alterations, repairs or adaptations. Minor works or equipment for example grab rails or ramps costing under £1,000 can be provided free of charge in England. Elsewhere they may be charged for.

Following an assessment of your needs you may be entitled to a means tested Disabled Facilities Grant (DFG) to help with the cost of adapting your home. Further information about DFGs can be obtained from your local housing or environmental health department although it might be quicker to have an assessment from social services first to determine whether you would qualify.

In Scotland, there are housing grants from the local council similar to DFGs in England and Wales

To find out more about adapting your home you should contact your local council housing department or a Home Improvement Agency (HIA), which are not-for-profit organisations often called Care and Repair or Staying Put agencies. Most HIAs will offer additional services such as handyperson or gardening schemes and have lists of approved contractors. The initial visit from the HIA is free and any subsequent charges will be discussed first and can usually be included in any grant if awarded.

If you need adaptations or alterations to your home but do not qualify for any grants or, do not have sufficient savings to pay for it, it may be possible to raise the money through a bank loan or, if you

own the property, by releasing capital from its value.

## Equity release

Releasing capital from your home is becoming more popular as property prices have substantially increased over the years. There is much to consider when embarking on this route and there maybe more suitable alternatives.

*More information can be found in our factsheet: Equity release*

## Care funding from April 2020

The following changes to the way in which care and support is funded was due to be implemented in April 2016, but has now been postponed until 2020 by Government.

**Note:** The figures given below are based on those proposed for the postponed 2016 reforms; these figures may therefore change before the introduction of these reforms in 2020.

### A £72,000 cap on care costs

This will come into effect from April 2020 and effectively ‘caps’ the amount you should spend on *care* in your lifetime.

Every person receiving care will have a ‘care account’ managed through social services which will ensure that contributions you make towards your care from April 2020 are counted towards the cap. It is important to be aware that only care you have been assessed as needing, up to the cost of what the local authority would usually pay for this service, will contribute to the £72,000.

For care home residents, it is important to note that only the ‘care’ element of your bill will contribute towards this cap. You will always be expected to pay towards the care home’s ‘hotel costs’ (such as bed & board), which do not

count towards the £72,000 cap. These costs are likely to be set at a figure of £12,000 per year (£230 a week).

### An increase in the upper capital limit from £23,250 to £118,000

This will come into effect from April 2020 and effectively means you may be entitled to financial assistance from your local authority sooner than you would be under the current system.

The current lower capital limit of £14,250 is also rising in April 2020 to £17,000. This is the minimum figure that must be disregarded when calculating your assets.

However, it is important to remember that your capital between £118,000 and £17,000 is still taken into account to form an ‘income’ at a rate of £1 for every £250 that you have (this is equal to £404 per week for those with assets of £118,000); this is then combined with your actual income from pensions and state benefits. If this total income figure is higher than the council’s personal budget for you, then you may not be entitled to any financial support.

## About FirstStop Advice

FirstStop is a free information and advice service designed to help older people decide how best to meet their needs for support, care and suitable housing. It is provided jointly by a growing number of national and local organisations and it is led by the charity, Elderly Accommodation Counsel (EAC).

## About FirstStop Financial Advice

Working together, EAC and its partners in FirstStop Advice provide comprehensive information and guidance to help you afford the care, accommodation or services you need.

FirstStop's national Advisors are trained to advise on:

- What you may be entitled to in state benefits and financial help from your local authority;
- Whether you may be entitled to help with your care costs;
- Ways of making your income and capital go further;
- Services that are provided free by local and national voluntary organisations;
- Homesharing, co-housing and other mutual support networks.

A key FirstStop partner organisation is the *Society of Later Life Advisers (SOLLA)*.

SOLLA's members are regulated Financial

Advisers who specialise in providing financial advice to older people, they also adhere to the Society's Code of Best Practice.

If you decide, after speaking to us, that you would like advice from a SOLLA member, we can provide local details to you.

*(Neither EAC or FirstStop has any financial interest in SOLLA or its member IFAs)*

## Contact us

- Visit us online: [www.housingcare.org](http://www.housingcare.org)

*The information contained in this factsheet is intended to be, and should be regarded as, a brief summary and is based on our understanding of present legislation, regulations and guidance. No responsibility can be accepted for action based on this information.*

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