**Paying For Residential Care - Factsheet**

**Paying for residential care - information from Southampton City Council about how you will need to contribute towards the cost of your residential care**

If you decide that staying in your own home is no longer right for you then you and your care manager can talk about the kind of residential or nursing home you need. Moving into residential care is a big decision and can have major financial implications.

If you have over £23,250 in savings you will be required to pay for the full costs of your care. If you have less than this amount in savings you may be entitled to financial help if it is agreed by you and social services that this is the best kind of care for you.

If you wish to move into residential care and you have sufficient income and resources to pay for this yourself, you may arrange this independently. However, if most of your assets are tied up in your home, you may still wish to approach the council for help.

The only people who do not contribute to the cost of their care at all are those who have ‘continuing NHS health care’ which is care arranged and paid for by the NHS. (This is different to ‘free nursing care’ which is the payment from the health service for the nursing element of a person’s care after they have been assessed by a registered nurse).

Only people who normally live in Southampton can apply for financial help from Southampton City Council. Anyone who lives in another part of the country and needs financial help with the fees for a Southampton home should start by contacting their own local authority.

[**Short stays**](http://sid.southampton.gov.uk/kb5/southampton/directory/advice.page?id=K864ySUuf90#sub_1)

These are temporary stays to give you or your carer a break, or for emergency situations (for example, if your carer has to go into hospital).

We do not take the value of your property into account when working out what you need to pay for these stays. You may choose to pay a standard short stay contribution or have a financial assessment to decide what your contribution to the costs should be. If you have less than £23,250 savings, having a financial assessment may be the best option for you.

If, during your short stay, circumstances change so that it would be difficult for you to return home, we will do a new care assessment to work out what support you need. With your care manager you can decide whether you want to stay in residential care. If you reach an agreement that residential care is the best option for you, then we will treat you as a permanent resident from the date that this agreement is made. You will be required to pay the same amount as a permanent resident from that date and you will need to have a new financial assessment.

[**Choice**](http://sid.southampton.gov.uk/kb5/southampton/directory/advice.page?id=K864ySUuf90#sub_2)

Residential homes are not all the same. Some homes are run by the council and some are run by private, voluntary or not-for profit organisations. Whatever your needs, care managers can give you information about a wide range of residential and nursing care homes. They will help you choose the kind of home which best meets your assessed needs at a rate that we normally pay.

If you want to move into a home outside of Southampton, then we may arrange this if the home you choose can meet your assessed needs and agrees to accept our rates for your care.

[**Trial periods**](http://sid.southampton.gov.uk/kb5/southampton/directory/advice.page?id=K864ySUuf90#sub_3)

Once you have decided that you want to move into residential care, you may want to have a ‘trial period’ to see whether the home which you have chosen is the right one for you.

A trial period is different from a short stay and we will treat you as a permanent resident from the date which your trial period starts. You will have a financial assessment and have to pay the same amount as permanent residents. The 12 week disregard (see below) will start from the date at which the trial period starts. If you decide you want to have more than one trial period, the 12 week disregard period will start from the date at which the first of these began.

[**Owning property**](http://sid.southampton.gov.uk/kb5/southampton/directory/advice.page?id=K864ySUuf90#sub_4)

If you own a property that can be sold, its value may be taken into account when we work out how much you should pay towards your residential care.

If you do not have enough income or assets to pay the full cost of residential care, then you may have to sell your home to pay the fees.

However, you may decide to raise the money you need in other ways, such as renting out your property to produce more income or taking out a loan or annuity. It is important you seek independent financial advice about these options.

There are certain situations when the value of someone’s home is not taken into account e.g. if your husband, wife, partner or another relative aged over 60 continues to live in your home. We also have discretion to ignore your home’s value if there is a long term carer still living there and they have given up their home to care for you. If the value of your house is disregarded because of such a situation and the person living in your home moves out or dies, the value of the property is then taken into account.

[**Third party ‘top up’**](http://sid.southampton.gov.uk/kb5/southampton/directory/advice.page?id=K864ySUuf90#sub_5)

If you wish to move to a home which costs more than the amount we would normally pay, there are two ways in which the shortfall can be made up:

* If you have capital above £23,250 you may choose to pay this yourself from your own funds.
* If your income and assets are below £23,250 a relative or friend may pay the shortfall for you. This is called a third party ‘top up.’

It is important that you ensure that the person paying the ‘top up’ can afford to pay it for the whole length of your stay. If they are not able to do this it may mean that you are asked to move into a cheaper home. The person paying the ‘top up’ will have a separate arrangement directly with the home to pay these fees.

[**12 week property disregard**](http://sid.southampton.gov.uk/kb5/southampton/directory/advice.page?id=K864ySUuf90#sub_6)

If you are in the position of needing to sell your home to pay for care, you will have a ‘breathing space’ of 12 weeks from when you moved into your permanent care home. During this period, you will only have to pay for the amount you would have been assessed to pay if you did not own the property. We make up the shortfall between this and the cost of the residential care.

**The disregard only applies if you have less than £23,250 in savings.**

If you place your property on the market in the 12 week disregard period, you may be entitled to income support/pension credit. If this is paid, it will be included in your charge for the 12 week period less savings credit disregard (2022/23 £5.90 per week).

After 12 weeks, or until your property is sold if this is less, the amount you have to pay will be re-calculated to take the value of your home into account.

If you are not able to sell your home within the 12 week period, then we may be able to enter into a deferred payment scheme with you. A member of the Finance Assessment Team would be able to provide you with more information regarding this.

[**Deferred payments scheme**](http://sid.southampton.gov.uk/kb5/southampton/directory/advice.page?id=K864ySUuf90#sub_7)

* [Deferred payments scheme - what you need to know](https://www.southampton.gov.uk/health-social-care/adults/finance/deferred-payments.aspx)

[**Financial Assessment**](http://sid.southampton.gov.uk/kb5/southampton/directory/advice.page?id=K864ySUuf90#sub_8)

If residential care is felt to be the best way to meet your needs, then we will carry out a financial assessment. You will need to complete a statement so that we have information about your income and capital. You should receive notice of your assessed charge within five working days. You will be charged at the minimum contribution rate from the date you become a resident of your care home.

* **Income taken into account:**
any regular income including earnings from employment
any rental income
any benefits e.g. sickness or industrial injuries
any pensions excluding the special payment element of the war widows pension
* **Examples of income not taken into account:**
mortgage protection insurance if used to meet repayments of mortgage
some voluntary or charitable payments
winter payments
council tax benefits
the mobility component of disability living allowance
* **Capital taken into account:**
property – unless it has been disregarded
savings including stocks and shares and premium bonds
for capital over £14,250 each £250 (or part £250) between £14,250 and £23,250, is counted as £1.00 a week income
* **Examples of capital not taken into account:**
social fund payments
surrender value of annuities or life insurance policies
savings below £14,250

Your financial assessment will take into account that you will need money for your personal expenses. This amount is set annually by the government and is called the personal allowance. For 2022/23 the weekly personal allowance is £25.65.

You may have an annual financial re-assessment so that any adjustments can be made to the amount you pay.

You must not reduce your capital by giving away your savings or by selling or transferring your property before your financial assessment is carried out.

If you do this to avoid contributions to the cost of your care, we can still take account of the original assets and we may ask the person who was given the money to pay some of the costs.

You may decide that you do not want to have a Financial Assessment. In this case you can choose simply to pay the maximum amount for services instead.

[**How to pay for your care**](http://sid.southampton.gov.uk/kb5/southampton/directory/advice.page?id=K864ySUuf90#sub_9)

You can choose to be invoiced or pay by standing order or direct debit or you may wish to pay direct to the home.

* [Pay an invoice](http://www.southampton.gov.uk/SCC_Payments/)

If a ‘top up’ payment has been agreed with the home in order for you to live somewhere which charges above the local authority rate, this will be noted on our contract with the home. However, the responsibility for paying the ‘top up’ to the home rests with whoever has agreed to make the payment.

[**Any questions?**](http://sid.southampton.gov.uk/kb5/southampton/directory/advice.page?id=K864ySUuf90#sub_10)

Please contact:

Adult Social Care Connect
Telephone: 023 8083 3003
adultsocialcareconnect@southampton.gov.uk

[**Explanation of terms**](http://sid.southampton.gov.uk/kb5/southampton/directory/advice.page?id=K864ySUuf90#sub_11)

* Advocacy - someone of your choice to represent your point of view
* Assessed contribution - the amount you need to pay towards residential care. Capital money in the form of savings and/or property value
* Care home - a term for any home that offers residential care 24 hours a day. All care homes provide help with personal care and some provide nursing care by qualified nurses
* Legal charge - a signed legal document between yourself and us, the local authority, whereby you agree to repay the money loaned to you for your residential care when your property is sold
* Property - this can mean any land, building or accommodation that you own or part own including any that are rented out