

Charges for Care Homes

This information explains how Kirklees Council Adult Services work out charges for care homes for older people and the circumstances in which a third party payment may be charged.

Introduction

If you are thinking of moving into a care home, you can obtain help and advice from Adult Services before you make arrangements. Once you have contacted Adult Services, we will arrange to visit you in your home (or in hospital) to discuss your care needs and how we can best meet them. Adult Services will provide advice and assistance regardless of whether you have enough resources to pay for your care yourself or will require financial support from the Council.

If we agree to arrange for you to move into a care home, you will be expected to pay either the full amount or a contribution towards the cost of your care. This will depend on your financial circumstances.

Adult Services are not able to provide financial or legal advice about purchasing care in a care home.

Who pays for care home accommodation?

The law says that everyone placed in a care home by a local authority must pay something towards the cost of their care, unless they have no benefits, pension, other income, savings or property. If you can afford it you will be expected to pay the full cost of the accommodation; otherwise a financial assessment will be undertaken so that we can assess how much you should pay. This is done in accordance with national rules. If you are financially dependent on your husband or wife they may also be asked to contribute towards the cost of your care.

If you wish to go into a care home where the weekly charge is more than the amount we usually pay, you will have to find someone else who can pay the extra cost. This may be a relative, friend or a charity. Please refer to the information below on 'Third Party Top-up Payments'.

How much will I have to pay?

We set a weekly charge for accommodation in Local Authority care homes. This is based on what it actually costs us to run the home and is calculated using national guidance on local authority accounting. From 10th April 2017 the maximum weekly rates charged are £667.99 in Ings Grove House and Moorlands Grange or £721.90 per week in Claremont House and Castle Grange (Adult Services' care homes for older people with dementia).

If the accommodation is not in a Local Authority care home, the gross weekly charge is the amount the Council pays the home. From 10th April 2017 the weekly base rates which the local authority usually pays for older people are £470.53 for residential care and £485.04 for nursing care (not including the NHS Nursing Care payment – see below). A supplement of £14.37 per week is paid for a single room and a further supplement of £14.37 for a room with ensuite facilities.

The weekly charge is agreed with the home and written into the contract, so it can only be changed by agreement with the Council. Usually an annual increase is agreed to reflect inflation.

We will look at your financial circumstances to work out how much you are able to contribute towards the charge and you will only be expected to pay the full amount if you are assessed as having the means to do so. We follow government rules in assessing how much you should pay. If you move into a Council-run home your contributions will be paid to the Council. If you move into an independent care home your contribution will usually be paid direct to the home and the balance is paid by the Council.

If you are making your own arrangements you will agree the price direct with the home yourself. You should be aware that this may not be the same as the price agreed with the home for local authority placements. Since 1 September 2006, all homes are now required by law to provide information about their charges which will also show any difference between their charges for local authority placements and their charges for people making their own arrangements.

Who is responsible for paying?

Normally you are, unless the council has taken over some or all of your finances. However, a relative, friend or someone else will be responsible for paying part or all of your charges if:

- you have given them power of attorney (this allows another person to handle your affairs while you are unable to do so);
- they have agreed to look after your finances while you are in the home;
- they are applying for and collecting your benefits;
- they are receiving any other income on your behalf.

They will need to be involved in all the financial arrangements you are making for your care so that they are fully aware of their responsibilities.

Social Security benefits and personal allowance

Normally, your Department of Work and Pensions (DWP) benefits will be used to help pay the cost of your care, apart from a personal allowance to cover personal items such as clothes and toiletries.

The personal allowance for 2017-18 is £24.90 per week. This is normally increased in April each year. You cannot use your allowance towards the cost of a more expensive room or extra facilities.

Please note the DWP may stop paying your Attendance Allowance or Disability Living Allowance (care component) if you receive help from Adult Services with paying for your accommodation.

NHS health services

If you move into a care home, this will not affect your right to national health services and things such as prescriptions, spectacles, hearing aids, dentures and dental work. The staff in the home will make sure that all your health needs are met.

If you move into a Nursing Home the local Primary Care Trust will make a payment to the home for the care you need from a registered nurse ('NHS Funded Nursing Care'). There is no financial assessment for this payment and the payment is either paid directly to the home by the Primary Care Trust or by the local authority on behalf of the Primary Care Trust. A single rate of £155.10 per week is payable for new admissions or people newly assessed as requiring NHS Funded Nursing Care.

If your primary need is for health care and you have agreed to move into a nursing home for your needs to be met, you may meet the criteria for your care to be fully funded by the NHS, in which case you will not be expected to pay anything towards the care or the accommodation. Everyone assessed by Adult Services as needing long term care is considered against the local Continuing Care criteria before any financial assessment takes place.

How is the contribution worked out?

If you have capital (savings, investments, the value of your home and so on) of more than £23,250 or if you do not wish to tell us about your finances, you will not be able to receive help from us towards the cost of your care. You will then have to pay the full weekly charge.

If you have less than £23,250 you should complete our personal financial statement form which lists your weekly income, capital and other relevant financial information. We will then work out how much you will have to pay and how much Adult Services will contribute.

- **Weekly income:** all your income is taken into account, such as earnings, State Retirement Pension, occupational pension, Income Support, other benefits and so on. However, we do exclude an amount for your personal allowance.
- **Capital:** this is the value of your savings, investments, home and so on. We add these together and calculate your contribution as follows:
 - We ignore the first £14,250.
 - between £14,250 and £23,250, we charge £1 for every £250 or part of £250. For example, if you have £14,750 in capital we will add £2 to your weekly income.
 - over £23,250, you will have to pay the full weekly charge and will not be able to receive financial help from the Council.
- **Household costs:** if your stay in a home is temporary, we may reduce your contribution to cover some of your ongoing household costs such as rent, council tax, heating charges and so on.
- **Other people who are financially dependent on you:** We may be able to increase your personal allowance if you have a relative at home who has to rely on you for financial support.
- **Charges for short-term break care:** You will be financially assessed to determine your weekly contribution unless you have savings above £23,250 in which case you will pay the full cost of the placement.

Please see the 'Examples of what you might pay' section below.

Disposal of Assets

If you have given away any of your capital before entering a residential or nursing home, the law says that in certain circumstances if the local authority feels the resident has deprived himself or herself of capital to reduce their accommodation charge then they may take this capital into account as if you still owned it.

Assessing the value of your home

We will not include the value of your property in our calculations for the first 12 weeks of your permanent stay. After 12 weeks we will then consider the value of your property. If you sell your property we will consider the income you get from the sale.

In certain circumstances we will not take into account the value of your property when calculating your contribution, such as during a temporary stay or if your husband or wife continues to live there. Contact Adult Services' financial assessment staff for further information.

If your own home is included in your charges and you cannot pay the charges in full until it is sold, we will pay the part of your charge which relates to the value of your home. You will then have to repay us when it is sold. You will have to sign a legal agreement to make sure the payments made by us are repaid when your home is sold. We do not charge interest at present on these payments but this is currently under review.

Once your home has been sold, you will be required to pay the full cost of the placement (assuming that you will have more than £23,250 capital following the sale of your home). If you have chosen to live in a care home outside Kirklees, we will usually terminate the placement contract once you can pay in full because you will no longer be resident in Kirklees, but if you are living in a care home within Kirklees we will not do so. However, you should be aware that the home is entitled to terminate your placement contract by giving four weeks' notice and the home may then insist that you pay the price that they usually charge people who make their own care arrangements.

Will the weekly charges change?

The amount you have to pay towards your stay may change because of changes in the law, changes in your financial circumstances, or changes in the amount charged by the home where these are agreed with Adult Services.

We usually review your contribution each year but you may also request a review at any time if your financial circumstances change, such as if your savings fall below £23,250 or will do so shortly.

It is important that you tell us immediately when your financial circumstances change.

How will I be told how much I have to pay?

Normally, we will arrange to see you to explain the details of the care you will receive before your stay starts, and to show the amount you will have to pay towards your care. Then, as soon as we have received all the information, we will carry out a financial assessment and give you written details of exactly how much you will have to pay.

Will I have to sign anything?

We usually ask you to sign an agreement to make sure the care you will receive meets your needs and that it is provided at the agreed cost. The agreement will be signed by you, someone from Adult Services, the business providing the accommodation and by any third party who may be contributing towards the cost.

It is important that you think about seeking independent financial or legal advice before making a decision and signing an agreement.

Third Party Top-up Payments

Another person or organisation can make extra payments to allow you to move into a care home which charges more than Adult Services' standard rates.

Government rules state that a person can choose the care home they wish to enter so long as it is able to meet their assessed care needs, currently has a room available and agrees to contract at the rate the local authority would usually pay or if another person or organisation agrees to pay the difference between the amount the home charges and the rate the local authority would usually pay.

The current weekly rates Kirklees Adult Services would usually expect to pay for older people in an independent care home are shown above. If you wish to live in a home which charges more than these amounts, or have a more expensive room or other facilities, an extra payment will be needed (called a 'top-up' or third-party payment). The amount payable will be confirmed as part of the placement contract and is payable by the third-party direct to the home. You still have a right to choose a suitable home which can meet your needs.

Before we agree to someone moving into more expensive accommodation, we will need to be sure that the person or organisation making the top-up payments is able to keep paying the extra amounts. We will ask the person making the payments to sign a declaration about this. If the top-up payments stop for any reason, we will need to review the placement. You may need to move to accommodation available at the price Adult Services usually pays.

The Fact Sheets available on each home include details of whether the home may require a top-up payment.

Additional payments are usually only payable by a "third-party" – usually a relative or sometimes a charitable organisation, and cannot be paid by the resident themselves. This is because the resident's own income and savings are considered through the means test to decide their contribution.

There are certain circumstances in which you may pay your own top-up charge. For example, if you have a property to sell and the Council is paying your care fees because of a Deferred Payments Agreement, or twelve week property disregard. There are strict rules about top-ups payable in these situations.

Once a placement contract has been agreed, top-ups may only be introduced or changed by agreement with Kirklees Adult Services. We will not agree to the introduction of a top-up payment unless we are satisfied that the additional payment is fair and affordable.

Examples of what you might pay

Example 1

Mr. Aston is 72 years old and lives in a council-run care home which costs £667.99 per week. His only income is basic DWP benefits of £159.35 per week. He has no savings or investments and does not own his own home. Mr. Aston would be entitled to keep £24.90 as his personal allowance out of his benefit income.

Mr. Aston would then contribute £134.45 per week towards the cost of his residential care (£159.35 benefits less £24.90 personal allowance).

Example 2

Mrs. Bibi is 83 years old and is in similar financial circumstances to Mr. Aston. Mrs. Bibi lives in a single room en-suite private nursing home which costs £668.88 in total per week. Of this, £155.10 is NHS funded nursing care paid by the CCG. Mrs. Bibi would be entitled to receive Pension Credit of £159.35 per week but she would keep £24.90 as her personal allowance and pay £134.45 as her contribution to the cost of her nursing home care.

Example 3

Mr. Cotton is 76 years old and lives in a single ensuite room in a private care home which costs £499.27 per week. He has £14,750 in savings and receives an occupational pension of £66.00 per week. He formerly lived in a rented house.

When working out Mr. Cotton's contribution we disregard the first £14,250 of his savings and he may pay up to half of his occupational pension to his wife to support her. Mr. Cotton's state pension entitlement is £122.70 per week. His income is calculated as £122.70 (pension) plus £33.00 (his share of the occupational pension) plus £2 'tariff' income on his savings, totalling £157.70. He would keep his personal allowance of £24.90 and contribute £132.80 per week towards the cost of his care home.

Example 4

Mrs. Davidson is a 70 year old resident in a private nursing home costing £668.88 per week. She owns her own house, which is valued at £150,000, and has no savings. Mrs. Davidson's benefit entitlement is £159.35 per week and she would keep £24.90 as her personal allowance.

The CCG will pay £155.10 per week and Mrs. Davidson would be charged the full cost for the rest of her care, £513.78 per week, because she owns capital (buildings and savings) of more than £23,250. Of this amount £134.45 would be paid out of her benefits but the balance of £379.33 per week would not be payable until her house has been sold. The Council would take out a legal charge on the house to ensure this debt is paid under the deferred payment agreement.

In this case, Mrs. Davidson may wish to consider making her own care arrangements with the home direct.

Example 5

Mr. Evans has chosen to move into private care home which charges £529.27 for a single room with en-suite facilities, which is £30.00 more than the Council would usually pay. His son is willing to pay the £30.00 difference as a 'top-up'. Mr Evans' financial assessment is then based on his ability to contribute to the remaining £499.27 per week.

Further information

For further information about paying for a care home please contact Adult Services' financial assessment staff at Civic Centre 1, Huddersfield on 01484 222056 or 01484 416795.

For general enquiries about nursing or residential care please telephone any Gateway to Care Office on 01484 414933.

Revised April 2017