

When does the local authority pay for care?

Under the NHS and Community Care Act 1990, local authority social services departments in England and Wales have a duty to carry out assessments for people who may be in need of certain services. If an assessment concludes that services are required, these must be provided. These services may include aids and adaptations to the home, meals on wheels, home care, respite schemes, day care, and residential and nursing care. This factsheet looks at the different payments the local authority can provide, and eligibility criteria.

The financial assessment

If someone with dementia or their carer feels that they need help from social services, they can ask to have their needs assessed (see Factsheet 418, Community care assessment). The person's needs will then be matched against criteria, to decide whether the person is eligible for services to be provided by the local authority. Where services are being provided, the local authority will then carry out a financial assessment, to work out how much money the person should pay, and whether the local authority should make a contribution. Carers and people with dementia can feel that their privacy is being invaded when a person from social services visits them at home and asks questions about their finances. This is understandable. However, the assessment is important, as anyone who refuses to share such information may automatically have to pay for any services provided by the local authority.

Some financial assessment forms include a space for the partner or spouse of the person with dementia to include their own financial information. However, the local authority should only financially assess the person who needs the service, and no other person has to contribute. Any joint accounts, investments or savings should be divided, and only the share belonging to the person with dementia should be included on the form.

The person conducting the financial assessment interview will be able to answer any questions. Alternatively, the finance department of the local authority can provide an explanation of the charges.

How much should the local authority contribute to home care?

Most local authorities charge for home care, and for services such as meals on wheels. The government's guidance on fair charging states that each authority can decide its own charges. However, charges must be 'reasonable', and anyone who feels that they are excessive has a right to complain.

The local authority will ask anyone with savings over a certain limit to pay all of their home care costs. If a person with dementia is paying for services themselves, the local authority should carry out regular reviews. Once a person's savings drop to below the savings upper limit, the charge should be reduced. Once savings have dropped below the lower limit, those savings should not be used to pay for home care. (See Factsheet 431, Benefits rates and income/savings thresholds for the current limits.)

Guidance on fairer charging suggests that people receiving care at home should not be expected to live on an income lower than that of people receiving income support or the guarantee credit type of pension credit plus a buffer of 25 per cent. This level of income is called the 'basic level'. Anybody whose income is at the basic level should not be charged for home care. Individual local authorities can decide whether or not to count severe disability premium, disability

living allowance or attendance allowance as income. However, when the care need relates to a service in the day, the local authority should not count benefit entitlement linked to care needed at night.

If someone refuses to pay for home care, social services cannot withdraw the service. The social services department has a legal duty to care for vulnerable adults and meet their needs. It must continue to meet the needs of the person while sorting out the financial situation.

How much should the local authority contribute to residential care?

If a person has been assessed as fulfilling NHS continuing health care criteria, the local Primary Care Trust in England or Health Board in Wales will pay for all of their care (for further details, see *When does the NHS pay for care?*, published by Alzheimer's Society, 2009). The Primary Care Trust or Health Board will also fund all of a person's care if they have been admitted under Section 3 of the Mental Health Act 1983 at any time. An application under Section 3 gives authority for someone to be detained in hospital for treatment. On discharge, the person will be entitled to free aftercare services for as long as necessary (in accordance with Section 117 of the Mental Health Act 1983).

In England, when a resident's savings fall below the lower limit, the local authority will pay for their care. However, any benefits the resident is entitled to, including their state pension, will be used towards the cost of their care but the person will be left with some 'pocket money'. The local authority must follow regulations in working out how much the resident should pay, which are explained in the guidance 'Charges for Residential Accommodation Guide' (CRAG). Some assets are ignored when the local authority works out how much the resident should pay for their care. These include:

- if the resident receives an occupational or personal pension, half of this will be ignored so that it can be given to their spouse or civil partner if they are not living in the same care home

- personal possessions, including cars, furniture, paintings and ornaments
- life assurance policies
- the resident's home, where it is occupied by a spouse or civil partner, a relative who is over 60, or a relative who is incapacitated
- the resident's home for 12 weeks, where the resident has moved permanently into a care home, when their home is not occupied by anyone else.

For more details, see Factsheet 431, Benefits rates and income/savings thresholds.

In England, the local authority will part-fund a resident's care, on a sliding scale, if they have savings above the lower limit but below the upper limit. Again, it will take any benefits the resident is entitled to and leave the person with pocket money.

In Wales, part-funding has been abolished and from April 2010 if a resident's savings are below the Welsh upper limit, the local authority will pay for all of their care. Again, it will take any benefits the resident is entitled to and leave the person with pocket money.

In England and Wales, if the resident has savings over the upper limit, they will have to fund all of their care themselves. However, they will still get their pension and their attendance allowance or disability living allowance, and they can use these to help pay their fees. (All savings limits are listed on Factsheet 431, Benefits rates and income/savings thresholds.)

Nursing care costs

The NHS will cover the cost of any nursing care provided by a registered nurse that a person in a nursing home is assessed as needing. This cost is a flat rate of £106.30 a week in England and £120.56 a week in Wales (for 2010/11), and is called NHS-funded nursing care (formerly known as the registered nursing care contribution, or RNCC).

Anyone entering a nursing home should be assessed to see if they qualify for NHS-funded nursing care. If they do, this money will be paid directly to the nursing home. The resident may see this reflected in their fees or the home may continue to charge a full fee, in which case they should refund the money to the resident. However, in many situations this does not seem to happen. This is because the nursing home may have already counted the money they would receive from NHS-funded nursing care in their weekly fee, even before any assessment has taken place. If you receive neither a reduction in your fees or a refund, ask the home for a breakdown of your costs.

In England, NHS-funded nursing care used to be paid in bands before a flat rate was introduced. Residents in a nursing home before 1 October 2007 who were entitled to the high band contribution now get £146.30 per week (for 2010/11) unless their care needs change.

Respite care

Local authorities can choose whether to charge for respite (residential stays of less than 8 weeks), and most do. If they charge, the cost must be reasonable. If a person feels that the fee is unreasonable, they can request a financial assessment.

Carer Break Vouchers can be available to carers who have been assessed as needing them. Vouchers are issued in £10, £20 and £50 denominations, and may be used at services registered to accept them. They may be used to fund short respite breaks, including day care.

It is important to note that the vouchers are issued based on the assessed needs of the carer, not the person with dementia. These vouchers can be used in addition to any personal budget (an amount calculated by the local authority and 'earmarked' for the care of the cared for person), and are an important part of the care package.

Frequently asked questions

My husband is going into a home. We have £70,000 in a joint account and own our own property. What should we do?

When you complete the financial assessment form, remember that the local authority is assessing your spouse for care, not you. Split the savings in two and set up separate bank accounts. This is because the local authority may just keep dividing the money in the joint account for assessment purposes, regardless of how much of it has been spent on your partner's care, leaving you with less than your original half. While you still live in the property, the local authority should not put a charge on it, and certainly should not suggest that you move to free up some cash.

I left my own home to live with and care for my mum, who is now going into residential accommodation. What will happen to my mum's house now?

Your mum's house may automatically be disregarded by the local authority when it assesses your mum's financial situation (for instance, if your father still lives there). However, even if the property is not automatically disregarded, the local authority can still decide to disregard it, since you have given up your own home to be a carer. The local authority has a duty to ensure that you are not made homeless.

Alternatively, the local authority may allow you to remain in the property but place a charge against it, which means that they will get their money back when the house is sold.

I own half the property in which my gran resides, but she is going into care now. What will happen to my share of the property?

The property will not be disregarded, however in undertaking the financial assessment, the local authority will need to consider whether your gran can legally sell the property (for example, you may have both previously signed a Declaration of Trust, which prevents the property being sold without your consent) and whether there is a

willing buyer for her share. If you did not want to buy her out, the value could be quite low and in some cases it could be nil.

If the property is sold, you will get your half of the proceeds back, less the cost of the sale and any mortgage, and the local authority will reassess your gran, taking into account her half of the money.

My dad is going into care and they say he needs to sell his house. Can we buy it from him for less than it is worth?

A sale for less than the property is worth may be treated as a deprivation of asset, if the local authority establishes that your dad's intention was to reduce his assets so that he would qualify for care, which the local authority would fund. However, you could rent the property out if the rent met the cost of the weekly care home bills. Many carers prefer to do this if they want to keep the property in the family.

For details of Alzheimer's Society services in your area, visit alzheimers.org.uk/localinfo

For information about a wide range of dementia-related topics, visit alzheimers.org.uk/factsheets

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This factsheet has also been reviewed by people affected by dementia. A list of sources is available on request.



Alzheimer’s Society National Dementia Helpline

England, Wales and Northern Ireland:
0300 222 11 22

9am–5pm Monday–Friday
10am–4pm Saturday–Sunday

alzheimers.org.uk

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