



**Nottinghamshire  
County Council**

# **Paying for your own residential care**

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This information is for people who feel that residential care is the right kind of support for them and who will have to pay the full costs of their care in the home. It is also for people who feel that residential care may be right for them in the future. People who have to pay all the costs of their care are called self funders.

## **How will I know whether my needs have to be met by residential care?**

Everyone is able to ask for an assessment of their needs by the local authority. This is free of charge, and will determine your eligible support needs – this means your needs which can be met by Nottinghamshire County Council. It lets you know whether you are someone whose needs are best met by residential care, or whether your needs could be met living in your own home. You should contact the Customer Service Centre if you want to arrange for an assessment of your needs – their details are below:

### **Nottinghamshire County Council Customer Service Centre:**

Phone: 0300 500 80 80

Monday to Friday: 8am to 8pm

Saturday: 8am to 12 noon

Email: [enquiries@nottsc.gov.uk](mailto:enquiries@nottsc.gov.uk)

Website: [www.nottinghamshire.gov.uk](http://www.nottinghamshire.gov.uk)

Minicom: 01623 434993

Phone 0300 500 80 80 if you need the information in a different language or format

## **How do I find a home?**

If you are assessed as needing residential care, we can provide you with information to help you choose a home. You will find some information on our website [www.nottinghamshire.gov.uk](http://www.nottinghamshire.gov.uk).

## **How much will I have to pay towards the cost of my care?**

Almost everyone who goes to live permanently in a care home has to pay towards the cost of their care. If a social care worker arranges for you to go to live in a care home, they will notify Adult Care Financial Services. Adult Care Financial Services will then contact you, or somebody who helps you to manage your money, and arrange to complete a statement of your financial circumstances. This enables us to calculate whether you can afford to pay the full costs of your care, and if not, how much you can afford to pay towards your care. If you have already provided us with this information, because you have received services from us before, we may use the information we already hold about your finances to work out how much you can pay towards the cost of your care home.

The rules on how we calculate how much you have to pay for your residential care are set by the Department of Health.

The amount you will pay depends on:

- Whether you own a property
- The amount of “capital” you have – savings, investments, premium bonds, property (including your home)
- Your income, including state pension, disability and means tested benefits, and private pensions.

If you have savings and assets (including your home) over £23,250 you will have to pay the full costs of your residential care – you will be a self funder.

When your savings and assets fall to just above £23,250, call our Customer Service Centre to let them know that you will need a financial assessment to calculate the amount of financial help you will need to pay for your residential care – their number is above. Any financial support from the Council will not start before the date you call the Customer Service Centre, even if your savings and assets fell below £23,250 before that date.

If you have savings and assets (including your home) between £14,250 and £23,250 you will be charged based on your income, plus £1 for every £250 you have between these two amounts in your savings or capital such as investments. You will be left a small allowance from your income, which is set by the government.

If you have savings and assets below £14,250, you will only be charged based on your income. You will be left a small allowance from your income, which is set by the government.

If you pay towards, but not the full costs of, your care, we have a leaflet entitled “Paying towards your residential care” which will help you.

**If you give away savings, property or other assets, or you have sold your property for less than its market value, before going into a care home, then this may be investigated as “Deprivation”, and the person you have given them to may become legally liable for any unpaid care charges.**

**If you have to live in a nursing home**, a fixed amount towards your care will be paid by the NHS directly to the care home. You should check with the home whether its fees include the NHS Funded Nursing Care Contribution (FNC).

**If you require a higher level of nursing care**, you may be able to get some or all of your costs paid by the NHS if you meet their “Continuing Healthcare” criteria. Contact details for more information are below. If only a proportion of your costs are paid by the NHS, you will be expected to pay the remainder yourself if you are a self funder.

#### **For more information about NHS funding:**

If you live in **Bassetlaw** – call the Clinical Commissioning Group on 01777 274400

If you live in **Ashfield, Broxtowe, Gedling, Mansfield, Newark and Sherwood, or Rushcliffe** – call the Clinical Commissioning Group on 01623 673100

### **Do I have to sell my home?**

Your home may not be taken into consideration depending on who remains living there. If any of the following remain living in the property it may not be counted as one of your assets, however individual circumstances vary:

- Partner or spouse
- A relative over 60 years old
- A disabled relative under 60 years old

- A person aged 18 years or under

If none of the above apply and your home is taken into consideration you can ask to be considered for a Deferred Payment Agreement, however not everyone is eligible – see “Deferred Payment Scheme” section.

## **12 Week Property Disregard Period**

If you own your own home and move into a care home, you may qualify for a 12 week property disregard period. This means that your home would not be taken into account during this period and we would only charge you based on your income and savings or capital.

During the 12 week property disregard period, you will be charged towards your care from your income and savings. If your savings are between £14,250 and £23,250 we charge you £1 for every £250 you have above £14,250.

If a top-up is payable (see section “If you choose a more expensive care home”) then you, or a friend or relative will have to pay this.

## **How will I pay towards my residential care?**

Most self funders organise their own care in a care home, and organise to pay the home themselves. If a social care worker organises your care in the home then we will pay the care home directly and then work out how much you have to pay and tell you how much this is. We will then send you an invoice every four weeks. **There may be a delay between you going to the care home and receiving your invoices, so you must not spend all of your money as the charges will be back dated to the date your stay began.**

You will receive an invoice (bill) every 4 weeks for your care home fees. Different ways to pay this are shown on the back of the invoice – many people set up a Direct Debit to pay for their care.

## **What if I don't pay?**

If you do not pay your fees, you will be contacted by the Council to find out whether there is any problem. If there is a problem, we will try to help you sort it out. If there is no problem, but you still do not pay your bills, then we will take action to recover any debts. This could mean court action if all else fails.

## **Can I get independent advice about my finances?**

Many people who have to pay for their own care do not seek independent advice about their finances, and so either run out of money or do not choose the best course of action for themselves and their family.

**We strongly recommend that you seek independent advice before entering into any arrangements regarding paying for your care.**

The organisations below can help you with specialist financial information and advice – there are also other organisations who can do this.

### **Society of Later Life Advisers**

Website: [www.societyoflaterlifeadvisers.co.uk](http://www.societyoflaterlifeadvisers.co.uk)

Phone: **0845 303 2909**

Email: [admin@societyoflaterlifeadvisers.co.uk](mailto:admin@societyoflaterlifeadvisers.co.uk)

### **Money Advice Service**

Website: [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)

Phone: 0300 330 2030

Email: [enquiries@moneyadviceservice.org.uk](mailto:enquiries@moneyadviceservice.org.uk)

Typetalk: 18001 0300 500 5000

Useful information is also available on the Council's own website: [www.nottinghamshire.gov.uk](http://www.nottinghamshire.gov.uk) or you can call us on 0300 500 80 80.

### **Please note:**

Nottinghamshire County Council has supplied details of some financial advisers for your information only, the information is not exhaustive and there are more financial advisers available in the market. The Council has not vetted any financial advisers and does not control and is not responsible or liable for them or any advice or services they provide. The Council does not endorse or make any representations about any financial advisers, or any results or advice that may be obtained from using them. If you decide to use any financial adviser please ensure that you conduct your own prudent checks.

## **Deferred Payment Scheme**

The Deferred Payment Scheme is designed to help you if you have been assessed as having to pay the full cost of your residential care – but cannot afford to pay the full weekly charge because most of your capital is tied up in your home. Effectively the scheme offers you a loan from Nottinghamshire County Council using your home as security. It doesn't work in exactly the same way as a conventional loan – the Council doesn't give you a fixed sum of money when you join the scheme, but pays an agreed part of your weekly care and support bill for as long as is necessary.

You will pay a weekly contribution towards your care that you have been assessed as being able to pay from your income and other savings. The Council pays the part of your weekly charge that you can't afford until the value of your home is realised. The Council can pay this direct to the residential home, or you may be able to have it as a Direct Payment, where the Council pays the money to you, and you pay the residential home. The part the Council pays is your 'Deferred Payment'. The deferred payment builds up as a debt – which is cleared when the money tied up in your home is released. For many people this will be done by selling their home, either immediately or later on. You can also pay the debt back from another source if you want to.

### **Charging Interest**

The loan will have interest charged on it in the same way as money borrowed from a bank. Currently the maximum rate that would be charged is based on the cost of government borrowing, and changes on 1 January and 1 July every year. Interest is compounded on a 4 weekly basis. The interest would apply from the day you enter into the Deferred Payment Scheme.

You will receive regular statements advising you how your charge is being calculated and what the outstanding sum on your deferred payment account is.

### **Your agreement with Nottinghamshire County Council**

If you decide to use the Deferred Payment Scheme, you enter into a legal agreement with the Council by signing an agreement document. The Council then places what is called a 'legal charge' on your property to safeguard the loan. You will be charged for this. The agreement covers both the responsibilities of the Council and your responsibilities, one of which is to make sure that your home is insured and maintained.

You can end the agreement at any time (for example if you sell your home) and the loan then becomes payable.

The Council cannot cancel the agreement without your consent.

### **Third party top up payments and Deferred Payment Agreements**

If you take out a Deferred Payment Agreement, and the home charges more than the Council agrees to pay for that home, then you will be able to accrue the difference (top up charge) against the value of your property.

### **Costs associated with the Deferred Payment Scheme**

There will be a charge introduced for the cost of setting up a deferred payment. We will write to you separately about these charges if you decide to take out an agreement.

### **Legal Charge**

If the Council secures any of your care fees against your property, we will register a legal charge against the property. If you sell the property after we have placed our legal charge, the solicitor cannot release the proceeds of the sale to you without first paying the monies owed to the Council. This does not prevent or delay the completion of the sale.

### **Maintaining your property**

When you live in a care home and you still own your property, you are still liable to meet the cost of maintaining and insuring it. These expenses must be paid from your remaining assets and your Personal Expenses Allowance. If you have any other expenses, outstanding mortgages or other loans secured against your property, you must ensure that you are able to meet the payments as the Council will not make any allowance for these. The only allowance we make is for the sewerage element of water rates.

### **If you rent out your property**

You may want to rent out your property to generate income. If you rent out your property, you must make a Deferred Payment Agreement with the Council if the income you receive does not fully cover the costs of your care. If you rent out your property, you will be expected to use the rental income to increase the amount you pay each week, thus reducing the weekly payments made by the Council, and minimising the eventual deferred payment debt. Before deciding to rent out your property, we recommend that you seek specialist advice, as there may be tax implications or complications with benefit entitlements plus alternative options for you to consider.

## If you wish to apply for the Deferred Payment Scheme

You must

- have capital (excluding the property) of less than £23,250.
- be professionally assessed as requiring and be entering permanent residential / nursing care in a registered care home;
- own or have part legal ownership of a property, which is not benefitting from a property disregard, and ensure your property is registered with the Land Registry (if the property is not, you must arrange for it to be registered at your own expense);
- have mental capacity to agree to a Deferred Payment Agreement or have an attorney or Deputy who has been appointed to look after your financial affairs.

Whilst in the agreement, you will also need to:

- have a responsible person willing and able to ensure that necessary maintenance is carried out on the property to retain its value. You are liable for any such expenses;
- take out buildings insurance for the property at your expense;
- pay your contribution for your care in a timely and regular manner; if you fail to pay this on a regular basis the Council reserves the right to add this debt to the loan amount.

There can be no other beneficial interests on the property, for example outstanding mortgages or equity release schemes, unless this is approved by the Council.

If you wish to apply for the scheme:

Contact the **Residential Assessments Team, Adult Care Financial Services**

Phone: 0115 9775760 (Option 4)

Monday to Thursday: 8.30am to 5.00pm

Friday: 8.30am to 4.30pm

Email: [acfsproperty.ss@nottscc.gov.uk](mailto:acfsproperty.ss@nottscc.gov.uk)

### **PLEASE NOTE:**

**Acceptance of any application under the scheme is subject to you meeting the criteria for entering the scheme, and the Council being able to obtain security on your property.**

## **Other options**

You may choose to rent out your property, which could give you enough income to cover the full cost of your care. There are advantages to this as you will not accrue a debt, be liable for interest and administrative charges and your property will be occupied. Your tenant will be paying utilities and Council Tax which will reduce your outgoings. If you decide to rent out your property, but you are unable to pay the full cost of your care you will have to apply for a Deferred Payment Agreement.

There are also various equity release products which may be suitable for your personal circumstances.



You may choose to pay the full cost of your care from your available income and savings/assets; or a family member may choose to pay some or all of this for you.

**You should take independent financial and legal advice to help you decide which course of action will be financially better for you.**

### **If you choose a more expensive care home**

If you have to ask the local authority to help you pay for your support (for example, if your savings fall below the savings threshold) some care homes charge more than the amount that the Council will fund and so a “top-up” payment will be charged. The Council will pay this amount to the care home on your behalf and a “third party”, such as a relative or friend, must repay this money to the Council. The Council will pay the home on their behalf and then send them a bill for the amount every 4 weeks. It is very important that the person paying the “top up” is able to do so for as long as you live in the home as you are not allowed to pay the top up yourself. If regular payments are not made, or the person paying the “top up” is unable to pay then you may be asked to move to another home which costs less.

For more information on third party top-ups, please see our factsheet “Living in a Care Home – Third Party Payments”.

### **Will my benefits change because I am living in a care home?**

If you are paying all the costs of your care, you will be eligible to receive Attendance Allowance. Call 0345 605 6055 to apply for this benefit if you pay all the costs of your care and you are not already receiving it.

If you already receive Attendance Allowance (AA) or the Disability Living Allowance (DLA) care component when you move into the care home, you are entitled to receive these benefits for the first four weeks of the 12 week property disregard period, (unless you moved to the care home from hospital or were already staying there as a temporary resident). It will then be suspended until the 13<sup>th</sup> week.

From the 13<sup>th</sup> week, if the value of your property is included, you are liable to pay the full cost of your care, so you are entitled to receive Attendance Allowance or DLA care. If you are not receiving these you must contact the Department for Work and Pensions (DWP).

If you are entitled to receive Income Support or Pension Credit, you must claim the Severe Disability Premium of these benefits.

If you are not trying to sell your property, the Pension Service will class your property as capital and it is unlikely that you would be entitled to receive any Pension Credit.

You should seek advice about your other benefits as individual circumstances vary.

There is benefits information on the Council website at [www.nottinghamshire.gov.uk](http://www.nottinghamshire.gov.uk)

Alternatively, contact your nearest Citizens Advice Bureau or Age UK. Some local libraries have information of local organisations offering help and advice.

## **What is the Care Cap?**

From 1 April 2016 there will be a change to how much you pay for your support or your residential care. The government will introduce a "Care Cap". For adults over the age of 18, there will be a limit on how much is spent on meeting someone's eligible needs before the Council starts to pay for all of the person's care or support.

The Care Cap has not yet been finalised by the government. We do know they are looking at setting a cap of £72,000 as the maximum amount for a person aged 65 years and over.

## **Care Accounts**

From 1 April 2016, if you have assessed social care needs, the Council will hold a Care Account for you which shows what has been paid so far towards the Care Cap. You should receive a statement every year telling you how much has been paid, and how you are progressing towards the Care Cap. Once the cap is reached the Council will take over paying for all your assessed eligible support needs.

You would still have to pay for other things:

- Costs which are not essential to meeting your assessed eligible social care needs
- Costs which exceed the Council's agreed rates – the Council would pay its normal rates and you would be expected to pay the difference
- Any general living costs such as food or heating

## **Who can have a Care Account?**

If you have assessed eligible support needs and you pay for all or part of your support then you are eligible for a Care Account.

## **How can I get a Care Account and when do they start?**

To get a Care Account you will need to have an assessment of your needs to establish what care and support needs will be eligible for counting towards the cap. Care Accounts will start from April 2016, but we will start assessing support needs from October 2015 onwards.

## **When can I apply for an assessment?**

If you want an assessment of your support needs, then you can request an assessment now – this is already current practice and the Care Act does not change this.

Self funders who want an assessment solely to start their Care Account can contact the Council from October 2015 onwards ahead of the Care Accounts starting in 2016. There is no charge for this assessment. Any support costs prior to April 2016 will not be counted. Any support costs from April 2016 will be counted from the date you contact us to request an assessment. If there is a delay in completing your assessment, you will not be penalised.

## How will it work?

The cost towards the Care Cap will be based on what the Council would pay to meet your assessed eligible needs. If you are paying for services that are not essential to meeting your eligible needs or are paying for services which cost more than the Council would pay, these extra costs beyond the Council's usual rates are not counted towards the Care Cap.

Also, costs such as food and heating will not be counted towards the cap, as these are general living costs that everyone has regardless of whether they need social care support. If you live in residential care you will be expected to pay around £12,000 a year towards these daily living costs if you can afford it. If not you will be expected to pay what we assess you as being able to pay towards these costs.

To work out how quickly you will reach the cap, the Council will complete an assessment jointly with you and tell you how much it would be reasonable to pay to meet your eligible social care needs.

## What if I have more questions?

If you have any questions about residential care or anything contained in this leaflet please contact:

### **Nottinghamshire County Council Customer Service Centre:**

Phone: 0300 500 80 80

Monday to Friday: 8am to 8pm

Saturday: 8am to 12 noon

Email: [enquiries@nottscc.gov.uk](mailto:enquiries@nottscc.gov.uk)

Website: [www.nottinghamshire.gov.uk](http://www.nottinghamshire.gov.uk)

Minicom: 01623 434993

Phone 0300 500 80 80 if you need the information in a different language or format

**Or**

### **Residential Assessments Team , Adult Care Financial Services**

Phone: 0115 9775760 (Option 4)

Monday to Thursday: 8.30am to 5.00pm

Friday: 8.30am to 4.30pm

Email: [acfs.residential@nottscc.gov.uk](mailto:acfs.residential@nottscc.gov.uk)

For **compliments, comments or complaints** about the service you have received

<http://www.nottinghamshire.gov.uk/thecouncil/contact/comments/adult-social-care/>