

# Residential Care Homes

## 1. Residential care homes

When we carry out an assessment with you, we will see if you can still be supported to live safely in your own home. If not, we will give you advice on the options available.

If you decide that a residential care home is the best option, we will advise you on the type of care home that will best meet your needs. This could be a residential home or a home that provides nursing care. The home might also need to provide a specialist service, for example, dementia care. We will help you find out about homes, vacancies and prices.

Find homes in Warwickshire

View a list of all homes registered with the Care Quality Commission (CQC).  
<https://www.carechoices.co.uk/lp/care-in-warwickshire/>

## 2. How much will it cost?

All residents have to pay for residential care, but the amount will be assessed according to your income and savings.

If we arrange for you to go into a residential or nursing care home, you will need to contribute to the cost.

The Government has set down detailed regulations and guidance for calculating the charges for residential and nursing care homes, which we must follow when calculating your charge. This guidance is updated regularly.

You can complete our Financial assessment form to see how much you may need to contribute. Completion of the form may take up to 40 minutes.

As part of this assessment, we will take into account any savings you have, as follows:

Savings	Contribution
Below £14,250	We will not take these savings into account in the assessment
Between £14,250 and £23,250	A tariff income of £1 for each £250 (or part of £250) and add this to your income used in the assessment
Above £23,250	We will assess you as being able to pay the maximum contribution, no matter what other income and disability costs you may have.

## What information do you need?

- So that we can calculate how much you are able to contribute towards your care, you will need to provide us with information about your income and any capital that you have.
- If you do not wish to provide any information, we cannot give you a financial assessment and you will need to pay the full cost of your care.

Some examples of the type of information that we require are detailed below:

### Income

- state pension letters
- benefit letters
- notification of private (occupational) pension

### Capital

- bank statements
- building society books
- details of stocks, shares, bonds
- property deeds

## How much will I pay?

We will work this out from your income and capital. If you are admitted to a home permanently, we may include the value of your home.

### Income

Income includes your state retirement pension, any occupational or private pension, pension credit or income support. Other benefits and income will be included, although we may disregard some types of income when you are financially assessed.

Any type of income which is disregarded will be shown within a financial assessment notification. This is detailed within the charging for residential accommodation guidance that all local authorities use.

### Capital

Capital includes any savings and any property you own. We will also ask about the capital that you have previously owned if you have disposed of it with the intention to pay less for

social care services. We will take into account any capital that you have previously owned if we believe you have disposed of it with the intention to pay less.

Capital	Contribution
Below £14,250	It will be disregarded for financial assessment purposes
Between £14,250 and £23,250	You will be required to pay £1 per week for every £250 of capital between £14,250 and £23,250
Above £23,250	You will be required to pay the full cost of the care

### 3. What if I own property?

If you are admitted to a home permanently and have property or other capital valued over £23,250, you will usually have to pay the full cost of your care, although sometimes the property will not be taken into account.

Your property might not be taken into account if one of the following still lives in the property:

- your partner
- a member of your family who is aged 60 or over
- a member of your family who is aged under 16 and you are responsible for his/her care
- a member of your family who is ill or disabled (this means they are receiving or could be receiving a disability benefit)

We will ignore the value of your property if your stay in a home is only temporary and we expect that you will return home.

If you do enter permanent care, we will disregard the value of your home for up to 12 weeks. During this time, you will only pay a contribution towards the care based on your income and capital (excluding the value of your home). If you sell your home during these 12 weeks, you must inform our Financial Assessments and Benefits Advice Team as this will affect your contribution.

If you own a property which has not been disregarded and you do not have the income and savings to pay the full cost, you may apply for the deferred payment scheme (*information about this scheme is provided at the end of the document*).

Under the deferred payment scheme, you will pay an amount that we assess you are able to pay. The difference between the amount you pay and the full cost will then need to be paid to us when the property is sold or the agreement ended. We will put a legal charge on the property to secure any debt as part of this agreement. You must take independent legal and financial advice if you apply for this scheme.

## **4. How am I told about my contribution?**

When we have your financial details, we will complete the financial assessment and tell you what your contribution will be. If we have any further queries, we will contact you to request additional information. We will then send you a letter explaining your assessed contribution.

If you disagree with the assessment or if any of the details are incorrect, or have changed, you must contact our Financial Assessments and Benefits Advice Team. The telephone number and the name of the person you should contact will be detailed on your assessment letter.

Once we have notified you about the contribution, you must inform the team of any changes to your income or capital while you are receiving care as any changes may affect your contribution.

We will send you a statement on a four-weekly basis (in arrears) detailing the weekly contribution and the date this is due for payment.

Payments may be made by cheque or standing order.

## **5. How will my care home be paid?**

If the care home is privately run, we will agree on the weekly fee and pay the fee in full on a regular basis directly to the care home. This amount will be detailed on your individual placement agreement.

As part of support planning with you, the council will decide on the cost of meeting your care and support needs. This fee is the amount paid to the care home and is made up of both the council's contribution and your assessed contribution.

### **Third-party contributions**

If the home costs more than we would normally pay, another person or organisation may agree to pay the difference between the actual cost and the usual amount we will pay. This is called a third-party contribution.

You cannot use your own resources to pay towards a third party contribution, except in the following circumstances:

- you own a property and it is being disregarded for up to 12 weeks for financial assessment purposes
- you own a property and have a deferred payment agreement with us.

## **6. Contacting us**

If you have a query about the guidance we use to assess your contribution or about the calculation of your contribution, you should contact the person on the telephone number given on your financial assessment notification letter. Alternatively, you can write to:

Financial Assessments and Benefits Advice Team  
Third Floor, Kings House  
King Street  
Bedworth  
Warwickshire  
CV12 8LL

If you have a question about your statement, or about making a payment, contact the Money Management and Income Control Team on the telephone number given on your statement, or you can write to:

Money Management and Income Control Team  
Third Floor, Kings House  
King Street  
Bedworth  
Warwickshire  
CV12 8LL

For general enquires, please telephone **01926 410410**. The lines are open between **8am** and **5.30pm** from **Mondays** to **Thursdays** and between **8am** and **5pm** on **Fridays**.

## **7. Deferred payments scheme**

If you have 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, the deferred payments scheme is designed to help.

The scheme offers you a loan, using your home as security. It doesn't work in exactly the same way as a conventional loan as we do not give you a fixed sum of money when you join the scheme, but pay an agreed part of your weekly care and support bill for as long as is necessary.

### **How it works**

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. We pay the part of your weekly charge that you can't afford until your home is sold. The part we pay 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.

However, you do not have to sell your home if you don't want to you may, for example, decide to keep your home for the rest of your life and repay out of your estate, or you may want to rent it out to generate income. If you do this, you will be expected to use the rental income to increase the amount you pay each week. This will lower the weekly payments we make, and reduce the eventual deferred payment debt.

### **Charging interest**

The loan will have interest charged on it in the same way as money borrowed from a bank. The interest rate that will be charged is fixed by the government. Currently, the rate to be charged is based on the cost of government borrowing. It will change on 1 January and 1 July every year.

This interest will be compounded and apply from the day you enter into the deferred payment scheme.

We will send you a statement every six months showing how your charge is being calculated and what the outstanding amount on your deferred payment account is.

## Your agreement with us

If you decide to use the deferred payments scheme, you enter into an 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 expense.

The agreement covers the responsibilities of the council as well as your responsibilities. You are responsible for making sure that your home is insured and maintained. If you incur expenses in maintaining your home while you are in residential or nursing care, we will take these costs off the amount that you will be contributing from your capital and income each week. You will need to show us proof of your expenses so that we can do this.

You can end the agreement at any time and the loan then becomes payable immediately. The agreement will automatically end if you sell the property and the loan will be payable at that point. Otherwise, the agreement ends on your death and the loan becomes payable 90 days later. We cannot cancel the agreement without your consent.

You should take independent financial and legal advice to help you decide which course of action will be financially better for you and consider the effect on any benefits you receive such as:

- pension credit
- Attendance Allowance
- Disability Living Allowance

## Advantages of using the deferred payments scheme

You do not need to sell your home in your lifetime. The government's rules say that 'top-ups' for people not using the deferred payments scheme have to be paid for by somebody else – for example, a member of their family. A 'top up' is the difference between the standard fees for care homes that we will pay towards and the additional costs of a more expensive care home.

However, if you enter into a deferred payment you can add the cost of the 'top-up' payments to your deferred payments scheme loan if we agree that there is enough equity in your home.

## Costs of the deferred payments scheme

There are costs when you are on the scheme, including:

- legal costs
- a Land Registry charge
- land search fees
- administration charges

We will write to you separately about these charges when you take out an agreement.

## 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 such as:

- you will not accrue a debt
- you will not be liable for interest and administrative charges
- your property will be occupied
- your tenant will be paying utilities and council tax which will reduce your outgoings

There are 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 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.

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