Paying for a residential or nursing care home – Frequently ask questions (FAQ)

This information relates to a financial assessment to determine how much you will need to pay towards care provided in a residential or nursing home. This is known as ‘residential services’.

In this FAQ you can find information on the following:

1. What information will I be asked to provide?
2. How do you calculate the charge?
3. How does capital affect how much I will need to pay?
4. What if I own property?
5. Can you disregard the value of my property?
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What information will I be asked to provide?
You will need to provide us with accurate information with supporting evidence about;

- your contact details and who, if not yourself, will be your acting on your behalf
- your income
- your savings, capital and investments
- your expenditure (such as rent, mortgage and council tax)
- disability related expenditure (expenses you incur as a result of your disability or infirmity)
- information to help us check you are in receipt of all the welfare benefits you are entitled to, if you wish

How do you calculate the charge?
The calculation used to determine how much you need to pay is;

Income minus Expenditure minus Allowances = Client contribution per week

Your financial assessment officer will look at your income and capital and take away the level of allowance that the government says we have to ignore. Allowances are monies that the government says we cannot take into account as being available for the purpose of paying for care. They are considered to be monies you need to cover day to day living expenses.

If you are a permanent resident you will keep a minimum of £24.90 each week. You can choose to keep more than this if you own a property and have a deferred payment agreement. Go to our deferred payment section for more information.

If you are a temporary resident (because you are planning to return to your own home) allowances can be made for some of your housing costs.

Expenditure (monies you spend) is then taken off and the outcome is the amount of money we will ask you to pay towards your care and support.
For more details about how income, savings, capital, expenditure and allowances are treated, please refer to our charging policy below.

**How does capital affect how much I will need to pay?**
You will have to pay the full cost of your care if your capital is above **£23,250**. This is called the 'Capital Threshold'.

**What if I own property?**
If you are a temporary resident we will not include the value of the home you live in. However, if you own any property or land other than the home you live in, the value will be taken into account.

For permanent residential financial assessments, all property owned by you, either in part or in full, will be treated as available capital when calculating an assessed charge.

If you are a permanent resident and your savings are below £23,250 we will ignore the value of the property for the first 12 weeks of permanent care. If eligible, your home will be taken into account from week 13 of your care placement. If you own a second property its value will be taken into account from the date of admission.

**Can you disregard the value of my property?**
If you are a permanent resident, your main, former home will not be taken into account if it remains occupied by:

- your partner or spouse
- a relative aged over 60
- a relative aged under 60 who is incapacitated
- a divorced or estranged partner with a dependent child
- a child under 16 maintained by you.

**What information will I need to provide for the financial assessment?**
You will need to provide us with accurate information with supporting evidence about;

- your contact details and who, if not yourself, will be your acting on your behalf
- your income
- your savings, capital and investments
- your expenditure (such as rent, mortgage and council tax)
- information to help us check you are in receipt of all the welfare benefits you are entitled to, if you wish

**If I have savings above £23,250, when will I be eligible for financial help?**
Your financial assessment officer will complete a capital calculation to help determine when you may be eligible for help with funding your care. You should tell us when your savings approach £23,250 so that we can help you be prepared in planning for your future funding.

**What if the care home costs are higher than the costs the council will pay?**
If you choose a care home that charges more than the council usually expects to pay, you will have to find somebody to pay a top-up. A top-up is the difference between what the council will pay and the cost of the home you choose. Family or friends can pay it on your behalf or, if we are taking your property into account and you can afford to, you can pay it yourself.
The council must be satisfied that the person paying the top-up can afford to continue payments throughout the duration of your stay.

**What if I need to ask a question about my financial assessment and paying for my care?**

If you have a question you can speak with your financial assessment officer direct or call the Charging Helpline: 020 8760 5676

**I have been assessed to pay full cost for my residential / nursing care. What options do I have to help pay my fees?**

Once you have chosen your care home, you will need to decide how you are going to pay for your care fees.

There are two options available to you:

1. You can choose to make your own financial arrangements independently of the Council
   Or
2. You can apply to the Deferred Payments Scheme operated by the Council

You should speak to your financial assessment officer if you are interested in applying for a deferred payments. You should always seek independent financial advice

**The deferred payments scheme - What is it and who is it for?**

- The Deferred Payments Scheme allows client who own their own home, to make an arrangement whereby they do not have to sell their home during their lifetime to pay their care costs. Instead, we will pay the cost and recover the money owed by the client, plus interest and administration fees at a later date, as specified within the deferred payments agreement.
- We will offer a Deferred Payment Arrangement (DPA) to people who meet the criteria governing eligibility and who are able to provide adequate security for the debt. The eligibility criteria are covered in section 11 of the Deferred Payments Policy which can be found on our ‘paying for a residential or nursing care home’ page.

**How can the scheme help me?**

- The scheme allows the council to continue to meet the difference between your assessed contribution (what you pay) and the cost of the care home. The difference is called the “deferred contribution”.

**What do I need to know about the scheme?**

- You should read the deferred payments (DP) policy before applying for a DP policy and the DP agreement for a full understanding of terms and arrangements.
- However, key points are as follows;
  - We will put a legal charge on your property to secure the debt owed. The debt owed will be made up of some or all of the following fees; legal fees, administration fees and interest, as set out in the annual fees and charges schedule. The total debt will be recoverable through property security in accordance with the DP agreement.
  - You or your estate will pay back the deferred contributions when the property is sold or when the residential care stops.
Interest will accumulate while the payments are being deferred; interest will be charged from day 1 of the agreement and rates are subject to change every 6 months, as determined by central government. Interest is calculated and charged on a daily compound basis.

If you and Croydon Council agree to defer payments, you should seek independent financial advice before arrangements are finalised.

You will need to ensure that the property is secure, insured and maintained at all times.

How do I apply for Deferred Payments?

- If you would like to apply for the Deferred Payments Scheme you should speak to your financial assessment officer or call the financial assessment section on: 020 8726 6000 ext: 60633 / charging help line on 020 8760 5676.