

Paying for your care home

A guide for service users and their relatives, friends and carers

This guide will help you understand:

- how much people who need permanent residential or nursing home care have to pay for their care, and how we work this out
- what support you can expect from us if you need help to move into a care home.

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Introduction

When Lewisham Council arranges a place for you in a care home, the Government's rules say that the Council must assess your income¹, savings and investments, and other capital to see how much you can afford to contribute towards the cost. This may include the value of any property you own.

This guide:

- tells you about the national rules that determine how much you have to pay
- provides answers to some of the questions you may have about arranging and paying for long-term care in Lewisham.

Even if you have enough money to pay the whole cost of your care home fees now, you can have an initial assessment of your needs to help you find a care home that can meet them.

You will also find information in this guide about your entitlement to financial help when your money runs out, or a short-term loan to fund your care until you have sold your home.

This guide does not give a complete statement of all the regulations as they are very complex. If you want to know more about how the rules may affect your personal situation, contact the Money Advice Service for advice and further information by:

- visiting www.moneyadviceservice.org.uk
- calling [0800 138 7777](tel:08001387777)
- asking a member of adult social care staff for more information.

The services covered in this guide

This guide sets out how Lewisham Council works out how much people who need permanent residential or nursing home care have to pay for their care, and what support you can expect from the Council if you need help to move into a care home.

It provides information for people in:

- a residential care home
- a nursing home
- extra care housing.

About residential care homes

All registered residential care homes will provide meals, accommodation and social care, i.e. assistance with personal care and the activities of daily living.

In a residential home, the care and support provided will be equivalent to the assistance that a caring relative could give and any nursing needs that arise will be met by the community nursing service.

About nursing homes

A nursing home – sometimes called a care home with nursing – will care for people who:

- are frailer
- have more complex needs

¹ social security benefits such as attendance allowance (AA), carer's allowance, disability living allowance (DLA) or personal independence payment (PIP), occupational pensions from former employment or any other money you may have coming in.

- are dependent on the assistance of care staff for most of the activities of daily living
- have regular nursing needs which require care or treatment by or under the direct supervision of a registered nurse.

There are also a range of nursing homes that the Care Quality Commission has registered to provide specialised care and support for older people with advanced dementia.

About extra care housing

Extra care housing provides a range of housing and care and support services tailored to meet individual needs, with support available 24 hours a day, 7 days a week.

The amount of care provided at any time can be flexible to accommodate a person's needs, and can be supported by in-built smart technology or telecare (for example, call alarms or sensors to alert staff to particular circumstances).

Schemes may be specifically designed to cater for specialist needs, such as those of people with dementia. Living within the wider community can help people to maintain and build up the skills needed to retain their independence.

Applying for funding from Lewisham Council

Most people who receive care and support services in their own home or in a care home are supported by relatives, friends or other members of the community. They are often referred to as informal carers and do not receive funding from the Council.

Most people have to pay towards the cost of living in a care setting. This may be a residential care home, nursing home or extra care housing scheme.

To qualify for financial support from the Council, you must:

- be assessed by a council adult social care officer as needing care in a care home
- have less than £23,250 in savings or capital
- have a weekly income that is less than the weekly cost of the care home you have chosen
- be a resident of the Lewisham borough.

If you do not meet the criteria above you will have to pay the full cost of the care home yourself.

- If you believe you qualify for funding from Lewisham Council go to page 5.
- If you believe you do not qualify for funding from Lewisham Council go to page 13.

There are a few groups of people who are living in a care or nursing home, or extra care housing, and who do not have to pay anything towards the cost of their care home fees as they are fully funded by the Council, the health service or another source.

These include people who:

- need a short stay in a care setting to get stronger and improve their independence²
- are funded by NHS continuing healthcare.³

² this is a short stay of up to six weeks in a nursing or residential care home for rehabilitation to help keep them independent

³ see page18 for more details about NHS continuing healthcare

- stay in a care home following a compulsory stay in hospital for mental health treatment under certain sections of the Mental Health Act 1983 (those who are subject to Section 117 after care treatment).

If you are not in one of these groups, you will have to pay a weekly charge.

If you qualify for funding from Lewisham Council

If you qualify for funding from the Council, it will work out how much you can afford to pay by asking you about:

- your weekly income
- your savings
- other assets you own, such as your home.

This is called a financial assessment.

In the financial assessment, the Council does not count the value of personal property such as furniture, jewellery, paintings or other works of art in the assessment.

The Council will also not count the value of your home for the first 12 weeks from your date of admission to permanent care. However, you should note that you still have to pay towards the cost of your care during the first 12 weeks, even if you are claiming Income Support or Pension Credit. See page 6 to find more information on the rules if you own your home.

The information that you will need to provide

When your care needs are assessed, the social worker will ask you some additional questions about your savings and who, if anyone, helps you with your finances. They will also ask you for contact details and permission to start gathering financial data about you from other Council services and the Department for Work and Pensions. The social worker will pass this information to the Financial Assessment team. This team will start to gather financial information and then contact you or your named representative by telephone to check details and discuss the assessment with you, if necessary.

If you have been asked to provide additional information, you have to do so within one calendar month of the request being made. If you, or your representative, do not provide the evidence by the end of one calendar month, the Council will assume that you can afford the full cost and will inform you and the manager of the care home that you will be responsible for paying the full cost towards your care.

However, if for any reason, you or your representative have difficulty completing the form or need more time to confirm all the income and assets have been included and listed correctly, you should let the Council know. The Council will then review the decision made once all the requested evidence has been provided.

You have to tell the Council about all your financial assets to prove to us that you are unable to pay the standard rate for your care. The Council will work out how much you can afford to contribute to the cost.

Remember:

if you have more than £23,250 in capital you will have to pay the full cost of your care

the Council ignore capital of £14,250 or less when it works out how much you have to pay. The Council will need to see evidence such as bank statements, National Savings

certificates, building society books, details of any investments and share certificates, to prove how much capital you have.

If you have savings in joint accounts with your husband, wife, partner or other family member, the Council will assume 50% of the total belongs to you.

If you have arranged for someone else to have power of attorney to manage your finances, you will need to provide a certified copy of the enduring or lasting power of attorney (LPA) as soon as you know that you are eligible for a package of care.

The Council can take legal action in respect of care home fees owed to us and can apply to the courts to place a charge on your property, in the case of a refusal to cooperate with the financial assessment process, or if they have reason to believe that the information provided is misleading, incomplete or incorrect.

[If you own your own home](#)

If you own your own home, the Council will consider if it should include its value as part of your capital.

Your capital means:

- your savings including bank, building society or post office accounts, national savings certificates, investment bonds or trusts, stocks and shares
- money from investments
- the value of any property or land you may own – the Council will need to know if there is any outstanding mortgage on your home.

The Council will ignore the value of your home if any of the following are the case:

- the property is your usual home address and your stay in the care home is only temporary
- your husband, wife, civil partner or former partner normally lives in the home
- you have dependent children under 18 years of age living in the home
- a relative who is over the age of 60 or who is incapacitated lives in the home.

The Council can also decide to ignore the value of your home under other circumstances. For example, if someone gave up their own home and moved in with you to provide the care you need, and they continue to live in the property after you have moved into a care home. This does not apply to people who only moved in recently and every individual case will be looked at on its own merits.

The value of your home is not included in your charge for the first 12 weeks after you move permanently into a care home, or following the end of a statutory disregard because the qualifying relative has died or moved. This is called the '12 week property disregard'.

At first the Council will work out your weekly charge based on the pension income you get and other notional income from savings and capital over £14,250. If you already have more than £23,250 in savings apart from the value of your home, you will pay the full cost of your care from the date of permanent admission.

The date of permanent admission is usually the date of admission to a care home as a long-stay resident, or the date when the Council decides to make a temporary stay into a permanent move.

The purpose of the 12 week property disregard is to give you a breathing space to decide whether to sell your home to pay for your long-term care or to apply for a deferred payment agreement (see page 15).

You are eligible for the 12 week property disregard if:

- an assessment of your needs by the Council confirms that you are in need of permanent care
- you do not have enough income or other assets to meet the cost of your care
- the Council agrees to take over arrangements for your care
- you apply to the Council within 12 weeks of moving into permanent care
- your stay in the care home is only temporary

You are NOT eligible for the 12 week property disregard if:

- you will not be eligible if your property is already disregarded
- you have savings, shares or investments of more than £23,250 (apart from the value of your home).

If you sell your home within 12 weeks of admission to permanent care, the disregard ends from the date of the sale.

After the first 12 weeks in the care placement as a long-stay resident, the Council review your contribution and if appropriate, include the value of your home (minus selling costs and outstanding mortgage) when it works out what you will have to pay from the 13th week onwards.

If you do not have a large income or a lot of savings apart from the value of your home, you may decide to sell your home in order to pay the fees, but you do not have to.

You should seek independent financial advice about how you could fund your care home fees. You may want to consider a deferred payment agreement (see page 15). Ask your care manager and the financial assessment officer to tell you more.

[If you give your money away](#)

If you have given money or assets away which the Council believes could or should be used to pay for your care, it will have to consider whether you have done this to either avoid paying charges or to reduce your charge.

To evade paying charges in this way is called 'deprivation'.

It is called deprivation because you have intentionally deprived yourself of money or assets that should be used to pay for your care.

If the Council decide that deprivation has occurred, it could continue to take the amount or value of the property into account in working out your weekly contribution. Alternatively, it has legal powers to recover the value of the gift from whoever has received the property or money.

[The amount of money you can keep for yourself](#)

The national charging rules states that the Council must allow you to keep a small amount from your weekly income to spend as you wish on personal expenses such as newspapers, toiletries, hairdressing etc.

This is called the personal expenses allowance and the Government reviews this amount every year. If you get the mobility component of Disability Living Allowance (DLA) or Personal Independence Payment (PIP), you will keep getting it.

If you are receiving Attendance Allowance (AA), the care component of DLA, or the daily living component PIP, these benefits will stop after the first four weeks in the home. The assessment of your contribution will take account of this.

You will also keep up to £5.75 per week of any savings credit. Residents who are part of a couple (including a civil partnership) may qualify for up to £8.60 of savings credit depending on their income.

If the Council helps you to pay your care home fees, your receipt of AA, the care component of DLA and the daily living component of PIP will stop 28 days after your stay in the home is confirmed as permanent. You should reclaim it from the 13th week after admission to the home if you opt for a deferred payment agreement with us.

The amount you will have to pay

Your charge is worked out using national rules set by the government called the 'Care and Support Statutory Guidance'. The Government reviews these rules every year and makes changes from time to time.

If your income is less than the care home fee, your charge is worked out using the following calculation:

All of your relevant weekly income – the personal expenses allowance = your charge

You will have to contribute most of your income, including state retirement pension and any benefits you get, towards the cost of your care.

However, some types of income are not included in the assessment of your contribution, such as:

- a Christmas bonus
- mobility component of DLA or PIP
- some or part of any war pensions
- some charitable payments.

The national charging rules allow the Council to add £1 per week to your income for every £250 of savings you have above £14,250, to £23,250. This is used to work out your weekly contribution towards the cost of your care. This is called tariff income.

Case study example

Steve is 86 and has savings of £15,000. This is £750 above the £14,250 limit – or three times the £250 levels of savings.

So the Council will include £3 per week as income when working out Steve's assessed charge.

Paying your contribution

Once your financial assessment has been completed, the Council will send you a letter telling you what your contribution will be and how this has been calculated. This will also tell you the ways you can pay the invoice that will be sent to you for your contribution.

If you go into a care home, you will still pay the contribution to the Council. They will send you, or a family member if they have LPA for your financial affairs, an invoice showing how much you need to pay towards your care in the home. You will then need to arrange to pay that.

However, this will not apply if your placement in the home is fully funded by the NHS.

If you and your family have chosen a more expensive home than the local authority has found for you, your family will need to pay the difference between what the local authority would normally pay and the fee the care home is charging. This is called a 'top-up fee'. The payment of the top-up fee is a contract between your family and the Council. This is not the same as the contribution you need to make for your care because the top-up is not paid by you but by your family. Top-ups are explained in more detail on page 17.

The care home should not ask you for any more money for your care unless you have chosen to purchase additional facilities or services such as hairdressing, dry cleaning, aromatherapy etc that are not covered in the Council's contract with the home.

If for any reason you decide you want to move to another care home, or the care home is no longer able to look after you, the Council and the care home will agree four weeks' notice. This will give time for the Council's Complex Care Brokerage team to help you and your family find another care home that will meet your needs.

The Council's contract with the care home will include payment for your room for three days after death, to give your relatives time to make funeral arrangements and to collect your possessions.

Reviewing the charges

Every April the Council review the amount you contribute to the cost of your care. They will write to you before April to ask for details of changes to your income and savings, such as increases in your pension.

You can ask the Council's Financial Assessment team for a revised assessment of your charges at any time if your circumstances change or if you are having difficulty paying your contribution. Similarly, you should tell the Council if you experience major changes in your finances, such as if you inherit a property or a large amount of money which will increase the value of your savings to above £14,250.

If you go into hospital

If you are admitted to hospital from your care home, the Council will pay the home to reserve your room for your return for at least six weeks. The care home will continue to collect your contribution towards the weekly fees.

If you are unable to return to the home because your care needs have changed, the Council will give notice to end the contract and it will help you find another home that can provide the level of care you need.

Choosing a care home

If the Council is helping you with the cost of your care home, you have the right to choose any home you like in England and Wales, as long as the Council agree that it meets the following conditions:

1. It is suitable for your care needs.
2. There is a place available.
3. The owner of the home and the Council can agree a contract to ensure that you are properly cared for.
4. The cost is not more than the Council would normally pay for someone with your assessed needs.

If you choose a care home that costs more than the Council will pay, your care manager may be able to suggest an alternative at the Council's normal maximum price level.

If you have enough money to pay the full cost, and a private room is available at one of these homes, you may still be able to move in but you will pay the full market price for your care.

If the home you want to move to does not have a vacancy

If the home you want to move to doesn't have a vacancy, your care manager may agree with you to arrange for you to go into a different care home while you are waiting for a place in your first choice home. This is called a 'step down placement'. You can change your mind if you decide that you would prefer to stay in the interim home rather than go on waiting for your first choice.

The amount Lewisham Council will pay

The Council has to give priority to those who need help to pay for their care – so it has set limits on the maximum amount that it will normally pay for the different types of care that care homes provide.

The following are the standard rates (as of 31 March 2019) you should expect Lewisham Council to pay per for a home, depending on your needs:

Type of home	Rate per week
Residential care homes	£559.03–£605.58
Residential care homes for people with dementia (sometimes called elderly mentally infirm)	£597.36–£652.73
Nursing homes	£750.41–£852.55
Nursing homes with dementia care	£809.33–£864.81

The above rates include what you pay as your contribution and the cost of nursing care that is met by the NHS.

It is Lewisham Council's policy to fund placements in single rooms only, to ensure your privacy and dignity, unless there are exceptional circumstances where a shared room is necessary to meet assessed needs.

If there are no places available for someone with your needs at these standard rates, the Council may agree to increase the amount that it will pay for your care.

The Council may also agree to pay more than the standard rate in exceptional cases where an individual's assessed needs can only be met by a particular care home that is more expensive.

You do not need to pay more than the Council's standard rate in order to find a home that is suitable for your needs, but this may mean that you only have a limited choice of homes with vacancies at the rate Lewisham Council will pay.

If you make a choice to move into a care home whose charges are more than the Council's standard rates, you may have to pay more.

If you choose a home that costs more than Lewisham Council will fund

Some people want to have a wider choice of care homes and consider homes that cost more than the Lewisham Council rate.

You can choose to go into a more expensive home if someone else, like a relative or a friend, is willing to pay the extra cost. This is called a 'third party top-up' arrangement.

You should note that the relative or friend must meet the extra cost from their own money – and that they cannot use your money to pay a top-up.

Case study example

Ethel is 83 and lives in Catford. She is about to leave hospital after having a fall at home and her increased needs mean that she has to move into a care home.

Five care homes have been identified that:

- can meet Ethel's needs
- have a vacancy
- accept the Lewisham Council rate.

However, Ethel's family decide that she should move into a different home that charges £650.50 per week.

As the cost of this home above the Lewisham Council rate, Ethel's family would have to agree to pay the difference as a third party top-up.

If you choose a care home where a third party top-up is needed, the person paying the extra costs will also have a separate contract with the Council.

It is very important that both you and the person who has agreed to pay your weekly top-up understand that:

- the person will have to keep up the payments, otherwise you could be asked to move into a cheaper home
- an increase in your income will not necessarily reduce the need for the third party contribution because your income will be assessed according to the charging regulations in the normal way

- the third party must be prepared to meet the costs of future increases in fees, which may not be shared equally between the Council and the third party
- if the care home provider fails to honour the contract conditions, the Council must reserve the right to terminate the contract.

If you do not have any family or friends that are willing or able to help financially with a third party top-up, and you want to move to a home that charges more than the Lewisham Council rate, you may be able to get charities or benevolent societies to help you meet the extra cost.

You are not allowed to make up the difference yourself if:

- you are receiving financial support from Lewisham Council

and

- your savings are less than £14,250.

To protect your savings, the Government rules do not allow you to pay an extra amount for your care from your own money, because the Council has already assessed you and decided the maximum you can afford to pay.

If you own your own home and have savings of more than £14,250, you can pay a resident top-up fee from your own savings during the first 12 weeks of your placement. This can continue from the 13th week after admission if you have agreed a deferred payment arrangement in place with the Council.

If the Council assesses that you should pay the full cost of your care because you own your own home, you can apply to have the top-up added to your deferred contributions by using your home as security. See page 15 for more information on deferred payment arrangements.

If you choose a care home outside of the Lewisham borough

If you choose to move to a care home that is not located in the borough, then the amount the Council will fund could be different.

Scenarios of the rates depending on where the care home is located

Rate for the local authority where the care home is based is:	Lewisham Council will pay:
<ul style="list-style-type: none"> • more than the Lewisham Council rate 	<ul style="list-style-type: none"> • the Lewisham Council rate
<ul style="list-style-type: none"> • less than the Lewisham Council rate 	<ul style="list-style-type: none"> • the relevant rate for that local authority
<ul style="list-style-type: none"> • the same as the Lewisham Council rate 	<ul style="list-style-type: none"> • the Lewisham rate

Case study example

Anna is 94, lives in Lewisham and has dementia. Her daughter, Susie, wants Anna to move nearer to her home on the south coast.

Susie finds a residential care home for people with dementia that can meet Anna's needs, and which has a vacancy, five miles from her home in Worthing.

The weekly local authority rate for care homes for people with dementia in Worthing – set by West Sussex County Council – is £530.

As the local weekly rate for Worthing is £123 lower than the Lewisham Council rate, they would only pay £530 per week for that placement.

If you do not qualify for funding from Lewisham Council

If you are one of the many people who do not qualify for funding from the Council, you will have to pay the full cost of your care home fees.

This section provides advice and guidance for people who do not qualify for funding from the Council.

It also sets out the process for how people who own their own home, but don't want to sell it, can apply for a long-term loan from the Council.

General advice for people who are paying for their care with savings over £23,250

If you have capital or savings of more than £23,250 you will have to pay for any care services you require – but you are still entitled to an assessment of your needs by social services.

If you are arranging your own care home placement, it would be sensible to discuss (with the home) what will happen if or when your savings go below £23,250, to get a commitment from the home that they will be willing to accept the local authority funding rates. Otherwise, you may have to move home at a time when you are feeling more vulnerable.

Choosing a care home

If you are choosing a care home for yourself, or for a relative or friend, the Council recommends that you should read the most recent inspection report from the Care Quality Commission (CQC) before visiting a care home.

All inspection reports can be found at www.cqc.org.uk.

Using information from the CQC website, you should:

- make a shortlist of suitable care homes in your area that are within your budget
- request an information pack from the homes on your shortlist
- request a copy of their contracts and/or terms and conditions
- make sure they have vacancies or establish how long their waiting list is
- think whether you could save money by relocating – the cost of care varies from region to region
- take into account additional costs that may not be covered in your residential fees, such as meals and day trips
- check how much notice you need to give if you move out and how much notice you will be given if the home is to close.

You can find further information and advice about choosing a care home in the borough at www.lewisham.gov.uk/carehomes.

Help with financial costs

If you get AA, the care component of the DLA, or the daily living component PIP, you should be able to claim this benefit for the first four weeks after admission to long-term care.

It will stop for the next eight weeks, and you will need to claim it again from the 13th week onwards.

If you enter into a deferred payment agreement with the Council (see page 15) which commits you or your estate to repaying the debt you owe to the Council, the Government will regard you as ultimately self-funding and this entitles you to reclaim AA, DLA or PIP from the 13th week onwards – once the value of your home is included in the assessment of how much you pay towards your care costs.

Claiming this benefit, which is not means-tested, will allow you to pay a higher weekly contribution towards the cost of your care and will reduce the amount of your deferred debt. This will enable you to keep more equity in your home.

If your money is starting to run out

If you are paying for the full cost of your care home fees in the Lewisham borough under a private contract with a home, you may get financial help from the Council when your savings drop below £23,250.

Do not wait until your savings fall below this amount before you ask the Council for help.

It is important that you let the Council know as soon as you think this is likely to happen, so you do not lose out on any help that it can give you.

You should contact the Council at least 12 weeks before you expect your money to drop below £23,250. This is to allow enough time for your needs to be assessed and your case to be considered by the Council before your savings drop below the threshold.

The Council will arrange for a care manager to visit you to assess your needs.

You will only be eligible for financial help from the Council if they agree that:

- you need to be cared for in a care home, and
- the level of care the home is providing is appropriate to your needs.

The Council will ask you about your finances so that it can work out how much financial help you need and how much you can contribute.

If you have chosen an expensive care home which costs more than the Council would normally pay for someone with your care needs, they may not be able to pay the full fees without some extra top-up contributions from someone else, such as a relative.

If you move into a care home outside the borough that is privately arranged and funded, and you later run out of money, you must contact the Social Services department of the council for the area where you are living. This is because you will be ordinarily resident in their area by then, and they will be responsible for assessing your need for financial help. You can find the contact details for local authorities by visiting www.gov.uk/find-your-local-council.

If you own your own home

If the Council assesses you and decides you should pay the full cost of your care because you own your home, you can apply to the Council to pay only part of your contribution and to defer the rest as a debt to the council, using your home as security, until:

- you terminate the agreement on leaving the care home, or
- you decide to sell the property, or
- until the debt is repaid to the Council after your death.

This is called a 'deferred payment agreement'. It is a long-term loan from the Council.

You can also apply to the Council for a deferred payment arrangement if you are having difficulty selling your home to pay for the full cost of your care.

The process for applying for a deferred payment agreement

If the Council agrees that you need a long-term care placement, you have savings under £23,250, and you do not want to sell your home to pay for your care, the following table sets out the process for applying for a deferred payment agreement.

If you are interested in entering into a deferred payment agreement with the Council, you should seek independent legal and financial advice about whether this is the right route for you to take to pay for your care before you commit yourself to the agreement.

Any financial adviser offering investment advice about funding long-term care has to be appropriately qualified and is subject regulation by the Financial Conduct Authority (www.fca.org.uk).

The process for applying for a deferred payment agreement from Lewisham Council

1. You apply to Lewisham Council for a deferred payment agreement.
2. The Council can decide whether it will or will not accept your application.
 - a. If the Council accept your application, it will carry out a full financial assessment and calculate whether it can agree to your request.
3. The Council will consider how much the care home charges will be, how much equity you have in the property and the level of risk to the Council.
4. If the Council offer you a deferred payment agreement, you will pay a weekly contribution towards the cost of the care home that is based only on your usual income and any savings above £14,250.
5. This leaves a shortfall in your contribution to meet the care home fees which the Council will pay on your behalf.
6. The payments that the Council make which relate to the value of your home will build up as a deferred debt to Lewisham Council.
7. The Council will place a legal charge upon your former home at the Land Registry to ensure that the debt is repaid when the agreement ends.
8. You will receive a copy of the written agreement, which the Council will ask you to sign.
 - a. The Council will not confirm the placement contract with the home until the deferred payment agreement is signed and the charge is secured upon your property.
9. The Council charge a fee to cover the cost of the property search and placing a charge upon your property at the Land Registry, which is payable in advance.
 - a. If the property has never been registered at the Land Registry previously, you may have to pay an additional administration charge to cover the cost of registering the property and placing the charge.
10. Interest will be charged on the deferred debt until the debt has been repaid in full. The interest rate will change every six months on 1 January and 1 July.
11. The charge on the property is removed once the property is sold and the debt repaid to the Council.

12. The Council allow 90 days after the date of death for your executors to sell the property. Interest will continue to accrue from the date of your death until the debt has been repaid.
13. If the property is not sold and the debt repaid within this time, Lewisham Council may consider taking legal action if they believe your executors are not taking active steps to repay the debt.

If you have savings of more than £23,250, excluding the value of your home, you will not be eligible for a deferred payment and you will have to pay the full cost of the home's fees until your savings drop below this level.

The administration fees for a deferred payment agreement

The deferred payment agreement scheme is intended to be run on a cost-neutral basis.

The Government's rules permit the Council to charge administration charges that reflect the actual costs of providing the deferred payment.

Administration fees for a deferred payment agreement from Lewisham Council (from April 2015)	
set-up charge	£750
annual charge	£300
termination charge	£325
independent valuation	actual cost

Letting your home

If your home is to remain empty, you will need to make your own arrangements for the security, insurance and maintenance of the property. The Council cannot make any allowance for these costs when it works out what you have to pay towards your care. However, you will be able to keep an amount of your income each week as a disposable income allowance (DIA) because you have entered into a deferred payment agreement.

If you choose to let your property, the Council will include the rental income you receive in the assessment of what you can afford to pay for your care. If you let your property through an agent, the Council will take account of the net rental income you receive after the deduction of the agency's management charge.

Reasons for refusal

The Council can choose whether it agrees to a request for a deferred payment agreement. It will not refuse reasonable requests but may not agree if:

- there is already a large mortgage on the property
- your home is subject to an equity release agreement
- the deferred debt is likely to be more than your home is worth
- if you have chosen a very expensive care home.

The Council will not offer a deferred payment agreement until a Land Registry search has been completed and it has been confirmed that it can place a charge or restriction upon the property that will protect the Council's interest in repayment of the deferred debt.

If your application is refused, you will get a written statement of the reasons for the refusal and information about how you can complain about the decision.

If your request for deferred payments is refused, you may have to reconsider selling your former home to pay for your care. The Government considers that people who own property worth more than £23,250 have sufficient assets to fund their own care without public funding.

Paying deferred payments and top-ups yourself

The Government rules allow some people who choose to enter a home which charges more than the local Council's standard rate to make up the difference in cost from their own money.

These are people who have:

- savings of more than £14,250 but less than £23,250 to spend on top-up payments during the first 12 weeks of their stay when the value of their home is ignored
- agreed to a deferred payment arrangement.

If you own enough equity in your home, the top-up payment can be added to the deferred debt, to be repaid at the end of the deferred payment agreement period once the property is sold. The amount of the top-up is the difference between the actual fee for the care home and the amount that the Council would normally pay for someone with the same assessed needs as you.

It must be possible for you or your estate to pay back all of the deferred contribution including the resident top-ups when your property is sold.

The Council will not enter into deferred payment agreements that involve deferred top-up payments unless it has decided that all the top-up payments can be recovered when the property is eventually sold.

If:

- you do not have much equity in your property

or

- your property is of low market value

or

- you have chosen a very expensive care home

the Council will:

- refuse a request for a deferred payment agreement

or

- restrict the offer of the deferred payment agreement to the Lewisham Council standard rate for someone with your assessed need.

You may have to choose a cheaper home or ask a relative or friend to top-up the cost of the care home fees from their own money.

If your spouse wants to sell your home after you have moved into a care home

The Council will ignore the value of your property while your spouse (wife, husband or civil partner) continues to live there. However, if they find the house is too big for them they can move to somewhere more suitable.

If you and your spouse own the home jointly, the charging rules say that when your home is sold, half of the proceeds belong to you and the Council should reassess your charge because you could then afford to pay more towards the cost of your care. However, you can give some of your share of the proceeds to your spouse if they need it to be able to buy a more suitable home – for example, a flat or a bungalow or other property in a more expensive area. The new property should also then be registered in both names.

The Council would not regard this as 'deprivation of assets' (as discussed on page 7) but half of any money left over after buying the second property would belong to you. The Council would, therefore, review your charges to include your share of the profit from the house sale left after the move.

If the home is registered in your name only, all of the money left over after the purchase of a more suitable property for your spouse would belong to you and the Council would review your charges to include the profit you made by selling your home. The new property should also be registered in your name because you would have bought it with the proceeds of the sale of your home that you lived in together.

Remember that the Council ignore the first £14,250 of capital savings, so the charge for your care would be based on amounts above this level. If your capital increased to more than £23,250, the Council would re-assess your charge and you would pay the full cost of your care until your savings were reduced to below £23,250.

What happens if I don't pay?

If you don't pay your invoices or fail to contact the Council to either discuss payment or to dispute the invoice, they will take action to recover the debt from you.

The Council will aim to resolve the matter with you before taking legal action. However, if despite reminder letters you do not make payment, they may decide to take legal action against you or the person responsible for handling your finances. This could include a county court judgement which will affect your credit rating. If court action is taken against you, further charges will be added to your debt.

If you are getting funding from the NHS

NHS continuing healthcare is the name given to services that are arranged and funded free of charge by the NHS for people outside hospital.

Anyone can get NHS continuing healthcare in any setting, provided they have a certain level of health-related care needs.

In your own home this means that the NHS will pay for all your healthcare (for example, seeing a community nurse or therapist) and personal care. In a care home, the NHS will also pay your care home fees.

You will qualify for full NHS funding if your overall care needs show that your primary need is a health need. This means that your needs cannot be provided by the Council's Social Care Services because you require nursing or other health services that Social Care Services cannot provide.

A 'primary health need' is assessed by looking at all your care needs against four key indicators:

- nature – the type of condition you have or treatment required
- complexity – needs or symptoms that interact making them difficult to manage
- intensity – one or more needs that are so severe they require regular clinical interventions
- unpredictability – unexpected changes in condition that are difficult to manage and present a risk to you or others.

If you are in hospital and are being assessed for a placement in a nursing home, you will be screened to determine whether you are eligible for NHS continuing healthcare as part of the assessment of your need for long-term care.

Getting help to look after your money

The Government's rules allow people over the age of 18 to choose and appoint someone to make health and welfare and/or financial decisions for them if they lack the mental capacity to make these decisions for themselves.

If this is the case, a trusted friend or relative can act on your behalf. The person or people chosen to make these decisions are called attorneys and they are appointed by a formal document called an LPA.

To make a LPA you must be able to understand what it means to appoint an attorney and to be able to choose who you want to act for you and what decisions you want them to make.

There are two types of LPA:

- a personal welfare LPA for decisions about health and personal welfare
- a property and affairs LPA for decisions about finances and property.

Before the LPA can be used it must be registered with the Office of the Public Guardian. There is a fee for registration.

The Council recommends you seek advice regarding an LPA from a solicitor or the Office of the Public Guardian (OPG).

You can place limits on what the attorneys can do. Attorneys must act in the best interests of the donor and follow the Government's rules.

The Attorney must keep the donor's money separate from their own and be able to provide detailed accounts if asked to do so by the OPG.

For more information on LPAs, including how to register, visit www.gov.uk/lasting-power-attorney-duties/overview or call 0300 456 0300.

Money management

If you need longer-term help with finances, you are suffering from a diagnosed medical condition that affects your mental capacity to make decisions about your property and affairs and there is no-one else able to act for you, Lewisham Council can, in certain cases, appoint someone to look after your money.

This person will take on the responsibility for claiming and receiving your benefit payments on your behalf and will ensure that the weekly contribution to your care home fees is paid.

The role of the complex care broker

Once the need for either a residential or nursing placement has been established, the case will be referred to the Complex Care Brokerage team to begin the process of identifying an appropriate placement.

A brokerage officer will contact you, your next of kin or another representative to explain the placement process. They will answer any questions and gather as much information as possible regarding you and your family's needs and wishes. The team will identify possible placements within the local area if the placement is to be within the borough of Lewisham, or will look in the area identified if this is to be outside the borough according to or your family's needs and wishes.

You, your next of kin or representative will be given information regarding the homes that meet your needs and you will then be able to visit them. Once you've identified the right home, the team will contact the home to confirm availability, negotiate fees (where appropriate) and arrange for the home to visit you to undertake an assessment.

Once the assessment has been successfully completed, a date of admittance to the home will be agreed with all parties. All homes and their registration are checked by the brokerage officers with the Care Quality Commission who are the regulatory body for this sector.

If you are privately funding your own placement, and you and your family are finding homes for yourself, you can still contact the Complex Care Brokerage team for advice and information on the process on complexcarebrokerageduty@lewisham.gov.uk.

Useful sources of information, advice or guidance

If you have any queries about the information in this factsheet or want to know more about how the rules on charges for long-term care affect you or someone you care for, please contact Lewisham Council and ask for your care manager by name.

You may find it useful to visit the following websites to find further information, advice or guidance.

Advice Lewisham

Advice Lewisham is a network of the main free advice providers in the borough and can give advice and information regarding your problems.

0800 231 5453 (Monday–Friday, 9am–5pm).

Age UK Lewisham and Southwark

Age UK Lewisham and Southwark provide preventative services, activities and support that promote opportunities, independence and choice to older people.

020 7358 4077

information@ageuklands.org.uk

www.ageuk.org.uk/lewishamandsouthwark/services/lewisham-services-page

Lewisham Council health and social care web pages

Our health and social care web pages can help you make informed choices about your life. They can help you learn how to find extra support to help with your care needs by helping you, or the person you care for, see more clearly what services are available in the local area and how to access them.

They pull together support and services from birth to old age, across social care, health, education and wider support within the community. You can also search for care homes in the borough.

scait@lewisham.gov.uk

www.lewisham.gov.uk/myservices/socialcare

Care Quality Commission (CQC)

The CQC inspect and regulate all care and health services. Their website has a directory of all care homes in the country.

0300 061 6161

enquiries@cqc.org.uk

www.cqc.org.uk

Carers Lewisham

Information, advice and support for adult and young carers; respite scheme and sitters service; and information on benefits and help with writing letters and filling in forms.

Carers helpline: 0800 015 7700 (9am–5pm, Monday to Friday)

General enquiries: 020 8699 8686

info@carerslewisham.org.uk

www.carerslewisham.org.uk

Citizens Advice Lewisham

The Citizens Advice service offers practical, up-to-date information and advice on a wide range of topics, including debt, benefits, housing, legal, discrimination, employment, immigration, consumer and other problems.

020 8315 1940

www.lewishamcab.org.uk

Elderly Accommodation Counsel and First Stop Advice Service

Information, advice and guidance on any aspect of care, support or housing for older people.

0800 377 7070

info@firststopadvice.org.uk

www.eac.org.uk

Money Advice Service

A free and impartial money advice service, which was set up by the Government to provide advice and guides to help improve your finances, and tools and calculators to help you keep track and plan ahead.

0800 138 7777

www.moneyadviceservice.org.uk

Webchat: www.moneyadviceservice.org.uk

NHS

A helping hand that can guide you to the health advice that best suits your needs, from webchat to walk-in centres. You can also find your local GP, dentist, pharmacy or A&E.

Phone: 111

www.nhs.uk

PayingForCare

A national information and advice service to help people make more informed decisions about the arrangements and funding for their long-term care. The website is also useful for people with Power of Attorney and family members and friends.

www.payingforcare.org

POhWER

POhWER can help you get your thoughts and feelings across to care providers through a free advocacy service so that you can have a say in what happens in your life. They can help you consider your 24 hour accommodation options. They cannot offer long-term assistance in managing financial affairs.

www.pohwer.net

0300 456 2370

pohwer@pohwer.net

The Silver Line

A free confidential helpline providing information, friendship and advice to older people, open 24-hours a day, every day of the year.

0800 470 8090

info@thesilverline.org.uk

www.thesilverline.org.uk

Voiceability

Voiceability provide an independent mental capacity advocate (IMCA) service in University Hospital Lewisham for people without friends or family, and who need a change in accommodation after being discharged from hospital.

www.voiceability.org/services/london-borough-of-lewisham

0300 330 0642

uhladvocacy@voiceability.org