

2023

A Helpful Guide to Care Home Fees

For the Armed Forces community

rbl.org.uk



ROYAL BRITISH LEGION

Introduction

There are many things to consider when deciding to move yourself, or a family member, into a care home. How to pay for the care is one of the biggest considerations.

The following guide will help you understand the costs involved when moving into a care home, your options for how to pay, and what you need to consider more generally. We recommend you talk to an independent person, financial adviser or organisation that can offer you financial advice or provide emotional support.

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Understanding care home costs

When you apply to one of our care homes, you will have an assessment before you move in or start to receive care.



Assessment

- The assessment will include a variety of questions to help us assess your current health and care needs. We can carry out the assessment at your home or at the hospital you are staying in.
- This assessment will show us which of the following levels of care you need.

1. Residential
2. Nursing
3. Dementia

The fees you have to pay will depend on which level of care you need.

What is included in your fees?

The fees include all the costs related to your care and accommodation.

How are your fees calculated?

On 1st October each year, our standard fee will increase by an amount equal to the increase shown in the 'Consumer Prices Index including owner occupiers' housing costs' (CPIH) over the previous 12 months, plus a percentage increase of up to 5%.

The precise percentage increase will be approved each year at meetings of both the Care Services Committee and the Finance Committee (subcommittees of the board of trustees). The most recent CPIH inflation rate will be used. When approving the increase, the members of the committees will consider the actual care costs over the last 12 months and our residents' best interests. We will give you and your representative at least 28 days' notice in writing showing the amount of any increase. The increase will take effect on 1st October unless, before that date, you give us 28 days' notice to end your care agreement (in which case we will not charge you the increased fees). We also give this information in the section of our website that relates to care home fees. See below for an example of how your fees could change.

Example:

An example of how our fees may increase from 1st October 2024 is as follows.

Until 1st October 2024, the standard fee is £1,200 per week for residential care. On 1st October 2024, we will increase the standard fee by the total percentage fee increase (being the increase in CPIH + a percentage increase of up to 5%).



Increase in CPIH	Percentage increase (up to 5%)	Total percentage fee increase	Example fee
8.2%	4%	12.2%	$£1,200 \times 12.2\% = £1,346$
8.2%	3%	11.2%	$£1,200 \times 11.2\% = £1,334$
8.2%	0%	8.2%	$£1,200 \times 8.2\% = £1,298$
8.2%	-2%	6.2%	$£1,200 \times 6.2\% = £1,274$



Standard fee

As a guide, our standard fee increased on average in October 2022 by 8.2% (the June 2022 CPIH of 8.2% + 0%). In October 2021 it increased on average by 1.6% (the May 2021 CPIH of 1.6% + 0%), In October 2020 it increased on average by 4.8% (the June 2020 CPIH of 0.8% + 4%).

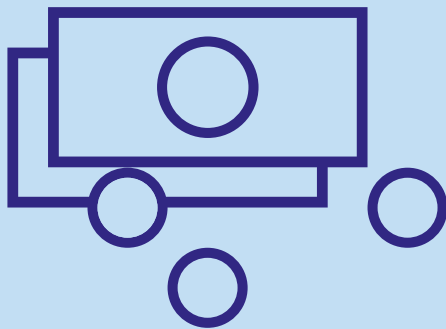
We may also increase or reduce your fees at other times if an assessment shows a significant change in your care needs. We will consult you or your power of attorney or representative about this change. If we decide to change your fees, we will give you 28 days' notice in writing, unless your care needs increase significantly and unexpectedly and we need to provide you with extra care or facilities at short notice. In this case, we will consult you or your power of attorney or representative and give you at least seven days' notice in writing of any increase in your fees. If your care needs have reduced, we will reduce your fees accordingly. We may sometimes need to increase our fees in exceptional circumstances that are outside our control. If this applies, we will consult you or your power of attorney or representative, and give you notice in writing of any increase in your fees. Your fees may also increase or reduce if you ask to move to a different room for which different fees are charged.

Fees and charges

Permanent residents

We charge our fees weekly, and we calculate them monthly. We prefer you to pay your fees by direct debit, collected on or after the 8th day of that month. The amount we collect is based on the total fee for the month (31 days, 30 days, 28 days or 29 days, as appropriate).

Details of your weekly fee and monthly direct debits will be set out in your fee schedule. We will give you a new schedule when our fees increase each year, and whenever there is any change in your level of care or funding.



Example:

Weekly fee of £1,050 / 7 nights
= a daily fee of £150

$£150 \times 31$
(the number of nights in the month)
= a monthly fee of £4,650

Respite residents

We will write to you to confirm your booking for your respite stay. The letter is also your invoice and you should pay the fees shown before you come to stay in the home. If you come to stay in an emergency, you should pay the respite fees within seven days of our letter and before you leave the home. You can pay by bank transfer. The details you will need to make the payment are shown in the letter.

Day-care visitors

We will send you an invoice for your day care at the end of each month. We prefer you to pay by direct debit. We will collect the amount shown on your invoice on or after the 16th day of each month.

We will also accept payment by bank transfer. Your invoice will show the bank details you will need to make the payment. You should pay the invoice within 28 days.

Billing and invoices

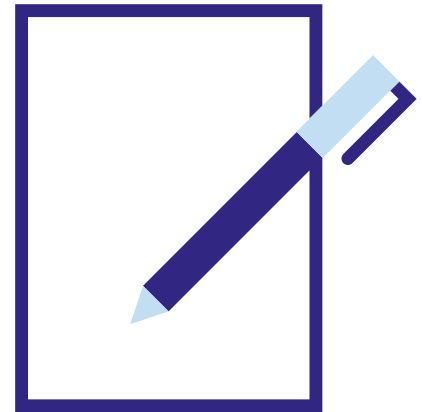
The letter and fee schedule we give you when you come to live in, or start to receive care services at, one of our homes will confirm the amount you must pay each month. Please let us know if you would like us to send you an invoice each month.

The letter we give you when we accept you for respite care at one of our homes is your invoice for your respite stay.

Contracts

Permanent residents – contracts

After your assessment we will send you your admission pack. This will include your care home agreement, which explains our terms and conditions, the date you will come to live at the home and a direct debit form. The pack will also include a fee schedule which will confirm your weekly fee, the level of care you will receive, and the amount you must pay each month by direct debit. We will send you a letter with your admission pack to tell you how much your first fees will be to cover the period from the date you come to live in the home up to the end of the month before your first direct debit (up to six weeks).



Respite residents – short-term contracts

We will write to you to confirm the dates of your stay and the fee you must pay. We will also include a short-term fixed contract for any respite stays up to six weeks. If you want to stay longer than six weeks, you will become a permanent resident and we will change your contract to a permanent-care agreement.

Day-care contracts

We offer day-care sessions at three of our care homes – Galanos House in Southam, Warwickshire (dementia day care), Halsey House in Cromer, Norfolk (day care and dementia day care), and Lister House in Ripon, North Yorkshire (dementia day care).

Day-care sessions are currently held on weekdays, and each session includes refreshments and lunch. Each of the above homes offers tailored sessions in either a separate day-care facility or in the main home.

We charge a daily rate for day-care sessions, and charge an absence fee if you miss a session (the amount we charge depends on how much notice you give us). Following a care assessment, we will write to you to confirm your day-care place. We will send you a day-care contract confirming your sessions and our terms and conditions, a fee schedule confirming the fees you must pay for your sessions and a direct debit form.

Contracts

We will also include a short-term fixed contract for any respite stays up to six weeks.



Paying for your care and extra costs

What are the different types of funding?

Self-funding

You are responsible for paying your care fees. If you are eligible for NHS-funded nursing care, the amount the NHS contributes will be deducted from the fee for your nursing care.

Local authority funding

After assessing your finances, the local authority have agreed to pay for your care. They will decide whether you need to pay a contribution towards your care fees. This may also include a third-party top-up (see page 13).

Continuing healthcare

The NHS Integrated Care Board (ICB) has agreed to pay your full care home fees.

As part of our assessment before you move into the home, we will ask you about how you will pay for your care and for a financial assessment, including information about your finances and property. The information you provide about your finances, savings and property will help us to identify whether you are, or may become, eligible for local authority funding. There is no minimum period you must self-fund for. However, if you are currently self-funding we need to be sure that you can continue to pay for your care for at least two years. This is to cover any possible delays associated with any statutory financial assessments you may need in the future.

Changes in funding

If your funding changes during your stay, you can continue to stay at the home. We will discuss your funding options with you. Top-up payments may be needed if you are a self-funded resident at the home but then become eligible for local authority funding after you have moved in. Please see 'Third-party top-ups' on page 13.

What are the possible extra costs?

We offer some extra services to our residents. You do not have to use these services, and they are not included in our standard service so you will have to pay extra if you choose to receive them. Here are some examples of the extra services we offer.

- Upgrading to a double room if this is not needed as part of your care plan (if the manager agrees to this)
- Meals for your guests
- Use of a bedroom for a visiting guest to stay in at the home
- Transport (for example, private taxi or ambulance fares)
- Installing a private phone line into your bedroom
- Phone calls
- Alcoholic drinks at the bar
- Personal newspapers and magazines
- Dry-cleaning





Guarantors

You can arrange for someone to act as a guarantor for you. This is someone who has agreed to pay your fees and expenses for the home, using their own money, if you become unable to pay these. You do not have to have a guarantor. Your guarantor would also need to sign your care agreement. (Please be aware that agreeing to pay your fees and expenses could put the guarantor's own finances at risk, so it may be appropriate for them to get independent legal advice.)

Services provided by third parties

The costs of services provided by third parties are not included in your service fee. You can arrange these services direct with the provider or we can help you to arrange them. We can recommend service providers other residents have used, but you do not have to use these.

Examples of services provided by third parties include the following.

- Dry-cleaning
- Hairdressing
- Private dentistry or healthcare that is not covered by your standard fee or the NHS
- All optical care services (for example, eye tests and glasses, but not including items that are free on the NHS)
- Private chiropody services
- Cable television and satellite charges (such as personal Sky subscriptions)
- Tailors

Personal allowances

We can hold a personal allowance fund of up to £125 for you, and you can use this to pay any extra costs. We will monitor how much of your personal allowance you have left, and let you know when it needs topping up. We can also charge any extra costs to your monthly account and you can pay these with your fees at the end of each month if you would prefer this. Your home's administration office can give you more information when you move in.



Personal allowance fund

We can hold a personal allowance fund of up to £125 for you, and you can use this to pay any extra costs.

Financial assessment

What to expect

A financial assessment is free. Your local authority will carry it out to decide whether they will contribute to your care costs and, if so, how much they will pay.

During the assessment your finances will be divided into two categories:

- your income; and
- your capital.

Your income is any money you receive regularly, regardless of how often you receive the payments (for example, both weekly and yearly payments would count as income). It includes any benefits you claim, as well as your pension (State Pension and occupational and personal pensions) and any allowances you receive.

Your capital is your savings and any investments or property that you own. It does not include your personal possessions. For example, small but valuable assets such as jewellery would not count as capital. These definitions are not absolute – in certain situations, income can become capital and capital can become income. For example, if you do not spend all your monthly pension, any that is left over will often turn into capital.

If you are in a couple, only assets that are just in your name should count as your capital. Any assets that you own jointly, such as your home or joint savings, will be treated as being equally split between you. For example, if you and your partner have £40,000 in a joint savings account, £20,000 of this will be included in your financial assessment, unless you can show any reason why this should be divided differently.

The value of any joint assets will still be divided in this way even if you and your partner both choose to move into a care home at the same time. You will each receive your own financial assessment and will each have a full upper limit of capital (this is the amount of capital you are allowed to have before you need to contribute to your fees).

How to arrange your financial assessment

To arrange your financial assessment, contact your local authority. You will usually need to have a 'needs' or 'community care' assessment beforehand, to work out which type and level of care you need.

If you need to go into a care home at short notice, there may not be time to carry out your financial assessment before you move in. If this happens, we will charge you a 'reasonable rate' for your care home fees until the assessment takes place. If your assessment shows you have been paying too much or too little, we will adjust your fee to correct this.



Financial assessment

You will usually need to have a 'needs' or 'community care' assessment beforehand, to work out which type and level of care you need.

Do I have to sell my home?

Whether you will have to sell your home to pay for your care is a very common question. During the financial assessment, the local authority will assess your assets, including your home, based on their current market value. Owning your home is almost certain to take you above the upper capital limit for local authority funding, which will make you responsible for paying for your own care (you will still need to have a financial assessment to confirm this).

Whether you have to sell your home will depend on whether you have any other capital or assets that you can use to pay for your care. If you do not have any other way of paying for the care you need, selling your home is one way of doing this.

Another way to raise the money needed to pay for your care is renting out your home. Some local authorities may be able to help you with this. You would need to make sure the rent you charge is enough to cover your care fees, and you would still be responsible for maintaining the property, which could act as a drain on your finances.

The value of your home will not count as capital in your financial assessment if any of the following people will continue to live there after you move into the home (this is known as a property disregard).

- A child under 16 who you are responsible for
- A close relative aged 60 or over
- A close relative aged under 60 who needs help to live independently (for example, because they are disabled)

This is not a full list. If you have someone else living with you, talk to your local authority about other people who may affect whether or not your home is classed as capital.



Homeowner

Another way to raise the money needed to pay for your care is renting out your home. Some local authorities may be able to help you with this.



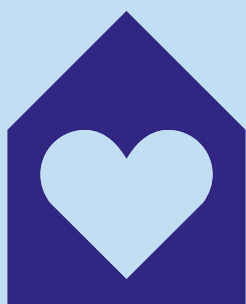
12-week disregard and deferred payments

The 12-week property disregard

If you move into a care home permanently and you have less than £23,250 in savings, the local authority must not include the value of your home in your financial assessment for the first 12 weeks. This is called the '12-week property disregard'. The 12-week property disregard is designed to give you breathing space to decide whether you want to sell your home and, if so, to get it ready for sale. The local authority will pay your care home fees for these 12 weeks or until your property sells, if this is sooner.

The value of your home will also not be included in your financial assessment for the first 12 weeks if:

- you are living in a care home;
- you have less than £23,250 in savings; and
- your property, which was previously disregarded, could now be taken into account because of an unexpected change in your circumstances.



12-week disregard

The 12-week property disregard is designed to give you breathing space to decide whether you want to sell your home and, if so, to get it ready for sale.

What happens at the end of the property disregard?

After the 12-week period is over, the local authority will review your financial situation to see whether you qualify for financial support towards your care home fees. If you have not sold your property or you do not want to sell it, you can ask them for a deferred payment agreement.

Deferred payment agreements

If you cannot sell your home or you do not want to sell it, you may be able to get a deferred payment agreement with your local authority. This is where they pay your care home fees and claim the money back later, either from you when you move out of the care home or from your estate after you die.

A deferred payment agreement is a loan, and you will have to pay it back. You will also have to pay interest and administration costs.

Deferred payment agreements are useful if you:

- are having difficulty selling your home;
- do not want to sell your home; or
- have a friend or relative who is not covered by a property disregard still living in your home (see the list on page 11).

Third-party top-ups

If your local authority are paying for some or all of your care, but you would like to move somewhere that costs more than they will pay, you or someone else (such as a friend or relative) might be able to make up the difference with a top-up fee.



Top-up fee

If you would prefer to live in a different, more expensive home, you may still be able to move there if someone pays the difference between the fees and your personal budget. This is called a top-up fee.

What is a top-up fee?

If your local authority are contributing towards your care home fees, they must tell you how much they think your care should cost. The total amount (including their contribution and yours) is called your personal budget. The local authority must show that there is at least one care home place available that meets your care needs for that amount of money. If you would prefer to live in a different, more expensive home, you may still be able to move there if someone pays the difference between the fees and your personal budget. This is called a top-up fee.

Who can pay top-up fees?

You cannot usually pay your own top-up fee. It is usually paid by a third party, such as a friend, relative or charity. If someone agrees to pay a top-up fee for you, the local authority will ask them to sign a contract, and must be satisfied that the person is willing and able to pay the top-up fee for as long as it is needed.

You can only pay your own top-up fee if you:

- have entered into a 12-week property disregard period;
- have a deferred payment agreement with the local authority; or
- are moving into the care home under section 117 of the Mental Health Act 1983.

The contract for the top-up fee must explain important points, including how much the top-up fee is and how often it is due. If the person who has agreed to pay the top-up fee is unclear about, or disagrees with, any aspect of the top-up fee contract they must not sign it and should get expert advice.



Third-party top-ups

Is your personal budget high enough?

The local authority must make sure that your personal budget is high enough for you to get the care you need according to the care needs assessment they carried out. The assessment must consider what your care and support needs are and how these needs affect your physical and mental health, emotional and social well-being, and personal relationships, among other things.

You must not ask someone to pay a top-up fee if your personal budget is not high enough to pay for a care home to cover your care needs. Instead, the local authority must increase their contribution to your personal budget to cover the extra costs. For example, if your needs assessment states that you need to be near your family, the local authority must cover the extra cost of this if it means you need a place in a care home in a more expensive area.

Sometimes, the local authority may only increase your personal budget temporarily until a suitable place in a cheaper care home becomes available.

Care home fee increases

Care home fees usually increase every year, but the local authority may not increase their contribution in line with the increase, and this means that top-up fees may need to rise by more than expected. Check for information about fee increases in the top-up fee contract.

What happens if the person who pays my top-up fee can no longer afford it?

If the person paying the top-up fee can no longer afford to pay it, the local authority must carry out a new care needs assessment before deciding what to do. They cannot simply move you to a cheaper care home to avoid the need for the top-up fee.

Challenging a request for a top-up fee

If the local authority ask for a top-up fee, you might be able to challenge this if, for example:

- you were not offered a place in a care home that was within your budget;
- your care needs assessment did not record all your needs; or
- the local authority have refused to increase your personal budget to meet your assessed care needs.

Continuing healthcare and NHS-funded nursing care

NHS continuing healthcare

If you have severe or complex nursing needs related to your health issues, you may be eligible for NHS continuing healthcare. The NHS will pay for this, and it will cover all your care fees.

NHS and social care staff will carry out an assessment to find out whether you qualify for continuing healthcare funding. The assessment is based on how complex and severe your medical needs are. You will only qualify for continuing healthcare funding if the assessment shows that you have needs related to primary healthcare issues that are best treated outside hospital.

If you are eligible for continuing healthcare funding, you will have regular reassessments to work out whether you will continue to receive the full funding.

NHS-funded nursing care

If your assessment shows that you are not eligible for NHS continuing healthcare, you may still qualify for NHS-funded nursing care. If so, the NHS will pay us a contribution towards the cost of your nursing care.

As of April 2024, the current rate of NHS-funded nursing care is **£235.88** (this rate may change). The Government may backdate any changes to the value of the FNC payment so that the changes apply to a period that has already passed. If you are eligible for NHS-funded nursing care, this amount will be deducted from our nursing fee each week.

For more details about NHS or local authority care assessments, eligibility criteria and financial assessments, talk to the manager of your care home or visit the NHS website at www.nhs.uk/conditions/social-care-and-support-guide/



NHS Continuing healthcare

NHS and social care staff will carry out an assessment to find out whether you qualify for continuing healthcare funding.

Lasting power of attorney

Lasting power of attorney (LPA) allows you to choose a person (or people) to make decisions on your behalf if you are not mentally or physically able to do this. These people are known as your attorneys.

In England, to arrange an LPA you need to be able to make sound decisions, so it is better to plan ahead and arrange this while you are well, even if you do not expect to have any problems in the future.



Attorney

You can appoint more than one attorney if you want to. If you do this, you can make it so that every attorney needs to sign for every decision, or so that just one signature is needed.

Health and welfare LPA

This is designed to help you if you become unable to make decisions about your healthcare and treatment options. It covers decisions like whether to move into a care home, as well as details relating to your day-to-day care. The person you choose to be your attorney will be able to make these decisions on your behalf.

Property and financial affairs LPA

This type of LPA gives the person you choose to be your attorney the power to make decisions about your property, such as whether to sell your home, and deal with financial issues, such as paying bills or managing your bank account. This type of LPA is designed to help people living with dementia, but may also be helpful for people who do not want to deal with these tasks, which can sometimes be difficult and time-consuming.

Who can I ask to be my attorney?

You are free to choose from a wide range of people, including your family or friends or an independent advocate, but there are restrictions. Whoever you appoint as your attorney must be over 18 and in good mental health. If they are to be in charge of a property and financial affairs LPA, they must be financially stable and able to pay their own financial commitments. They must also agree to take on the role and the responsibilities involved.

You can appoint more than one attorney if you want to. If you do this, you can make it so that every attorney needs to sign for every decision, or so that just one signature is needed. You can apply this as a blanket rule across all decisions, or to individual circumstances.



For instance, you might want all your attorneys to have to sign for any decisions about your medical care, but be happy for just one person to sign for decisions about paying your bills.

How do I appoint an attorney?

You can appoint attorneys through the Office of the Public Guardian. First, decide who you want to be your attorney (or attorneys), then fill in the forms before registering your LPA with the Office of the Public Guardian. The whole process can take up to 10 weeks. Visit the GOV.UK website at www.gov.uk for more details. (Please note LPAs are not active until they have been registered with the Office of the Public Guardian.)

Deputyship

Deputyship is another way of making sure that there is someone who can make decisions on your behalf.

Deputyship is normally used if there is no LPA in place and you already have dementia or are severely ill and cannot make decisions relating to your care.

Like LPA, there are two types of deputy:

- personal welfare; and
- property and financial affairs.

To become your deputy, your representative must apply to the Court of Protection. If they are appointed your deputy, they will get a court order which tells them what they can and cannot do on your behalf.

Useful contacts



Care Funding Guidance

This is an independent, free service which can help you decide how to pay your care home fees.

☎ Phone: **0800 055 6225**

🌐 www.carefc.co.uk

Royal British Legion Helpline

☎ Phone: **0808 802 8080**

🌐 www.britishlegion.org.uk/get-support/care-and-independent-living/our-care-homes

Citizens Advice

Contact Citizens Advice, or one of their local offices, for free, independent advice.

☎ Phone: **0344 411 1444**

🌐 www.citizensadvice.org.uk/consumer/

Age UK

Age UK is the leading charity for older people. It provides advice on a range of subjects, including money and health, and has offices across the UK.

☎ Freephone: **0800 169 80 80**

🌐 www.ageuk.org.uk

Disclaimer

This guide is intended to provide basic information about how to pay for your care, and where you can find more detailed information and guidance. We have tried to make sure the information in this guide is correct, reliable and high quality, but we cannot guarantee this.

