



Finding the Right Care Home

Finding a care home for those later years when you need increasing support can be an emotional experience - certainly for you, and, depending on circumstances, for your family too. This can be compounded by the number of financial decisions you need to make. Planning how to pay for your care home need not be overwhelming if time is taken to consider the options available to you.

Some of your questions answered

Care Home Costs

'How much do care homes cost?' and 'What exactly will I be paying for?' are likely to be two of your first questions. The first thing to be aware of is that there is no single answer to either of these questions because each depends on a variety of factors. This means the answers hinge on your personal situation.

The key factors affecting the cost of care homes and how much you pay are where you live and the level of care you need.

Where you live

Many people are eligible to have at least some of their care home costs paid for by their local authority. This largely depends on how much capital you have (such as savings or property ownership) and where you live.

If you have savings and assets of more than £23,250 (based on the savings threshold for local authority funding in 2025/26 in England) it is likely you will need to pay for at least some of your care costs.

How Much Care You Need

How much care you need also affects how much you will pay. For example, if you need round-the-clock care you will likely pay more than someone who is largely independent. Your needs will be determined by an assessment to identify the level of care you require.

Individual Care Home Costs

Each care home prices its services differently. As such, you will need to check exactly what your fees cover. By law accommodation, meals and laundry will be included but other services, such as entertainment, private chiropody services or hairdressing can be charged as an extra cost depending on that care home's individual pricing policy. Any good care home will be able to list such extra costs for you if you request them.

Asking the right questions when choosing your care home is essential. Getting the answers to the below is a good place to start.

Some of the Questions to Ask When Considering a Home

- What exactly is included in the fees?
- How often are the fees reviewed?
- Do I need to pay a deposit?
- Are the fees paid in advance or arrears?
- How much notice will you be given of changes?
- Are there any additional costs for services or activities that the care home provides?
- Do residents need to take out their own contents insurance?
- How do absences affect fees - would you be charged if you went on holiday, or required a short stay in hospital?

Funding your care - who will pay?

It is likely (but not inevitable) that you will be responsible for paying at least some of your care home costs. However, it is possible that the NHS or your local authority will cover some or all of the fees.

Here are the main options for funding your care; we will take you through how funding is decided in the next section.

NHS Continuing Healthcare - If you have particularly severe or complex health needs you may be eligible for NHS continuing healthcare. This service is fully funded by the NHS and will cover all your care home fees (it can also be used to cover the cost of care in the community).

An assessment carried out by NHS staff will determine whether you qualify for the continuing healthcare service. Looking at the nature of your medical needs, it assesses their complexity and intensity: you will only qualify for continuing healthcare funding if the assessment concludes that you have a primary healthcare need that is best treated outside hospital (perhaps surprisingly people living with dementia are not regarded as having such a primary healthcare need). If you are eligible for continuing healthcare funding you will need to bear in mind that the service is not awarded on a permanent basis; regular reassessments will determine whether you will continue to receive funding.

Your Local Authority - May pay for some or all of your care costs depending on how much capital you possess. Once a **needs assessment** has confirmed that you require care, your local authority will carry out a financial assessment to determine how much they will contribute. This assessment is free and we will explain how it works in detail in the next section.

Self-funding - you can choose to pay for your own care in full, which is known as self-funding. There are several things to bear in mind when selecting this option, such as the importance of seeking independent financial advice to help plan exactly how you will manage your money to pay for care.

It is also worth taking up a financial assessment even if you are certain you will not qualify for local authority support. This is in part because you do not want to miss out on any assistance if you are indeed eligible, but also because these assessments will help you determine what kind of care you need and therefore are useful when it comes to picking your care home.

Also, even though you are funding your own care, you or your family may still be entitled to other benefits - so be sure to claim them.

Top-up- If you are eligible for local authority funding, it may be the case that their funding does not completely cover the costs of your preferred care home. This does not mean you have to pick somewhere else. If you are able, you or a third party can opt to 'top-up' their contribution with your own money to make up the difference, enabling you to go to the care home of your choice.

Do not worry that your level of local authority funding will affect the level of care you will receive - that is not the case. If your local authority has determined that support is necessary, it is obliged to ensure you are able to get the appropriate care for both your health and financial needs. Top-ups are a useful option if the fees of your preferred care home are not fully covered by your local authority because they cover life choices they do not wish to fund, such as hotel-style living - they should not need to be used to ensure you get the right care.

Financial Assessment

As mentioned, financial assessment will establish whether your local authority will contribute to your care costs. If the answer is yes, it will also establish how much you will receive.

It is carried out by your local authority; the assessment divides your finances into two categories: income and capital.

Your income is defined as any money you receive on a regular basis. This includes any benefits you claim, as well as your pension (state, occupational and personal pensions all count) 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, smaller but valuable assets such as jewellery would not be counted as capital.

If you are a couple, only assets in your own name should be counted as part of your capital. Anything held jointly, such as your home or joint savings, will be treated as equally split between you. For example, if you and your partner have £100,000 in a joint savings account, your financial assessment will treat this as £50,000 each - unless you can show any reason why this should be divided differently. This remains true even if you and your partner both choose to go into a care home at the same time. You will each receive your own individual financial assessment and you will each have a full upper limit of capital, as described earlier, before you need to contribute to your fees.

How to Arrange Your Financial Assessment

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

The financial assessment is a free assessment, which establishes who will pay for which aspects of your care.

If you need to go into a care home at short notice, the assessment might not take place before you move. If this happens, you will be charged a 'reasonable rate' until the assessment takes place. Once it has been completed, any over or under paying will be corrected.

The outcome of the financial assessment will be that the local authority will either:

- agree to meet the full cost of your care needs
- agree to meet some of the cost (and you'll need to top up the rest)
- leave you to meet the full cost of your care.

Will I Have to Sell My Home?

If you own a property concern for how that will be affected by moving into a care home is natural.

During the financial assessment your assets will be judged on their current market value - your home included. In today's financial climate, owning your own home is almost certain to guarantee you are above the upper capital limit for local authority funding and you will therefore be responsible for aspects of your own care - though undergoing the financial assessment is necessary to confirm this.

This does not necessarily mean you need to sell your home. This depends on your ability to fund your care without doing so. If you do not have the means to cover the costs of a care home, selling your property will be one of the potential solutions.

An alternative is renting out your home, which will allow you to keep your property and generate the income you need to support your care. Some local authorities and some of the organisations can help you with this process. You will still be responsible for the upkeep of the property, which could act as a drain on your finances. You would also need to ensure that the rent is sufficient to cover your care fees.

You may also be offered the alternative of deferred payment, where the costs of your home are not taken into account until your death.

You will not necessarily be expected to sell your home, or come up with an alternative such as renting it out. If you are the joint owner for your home, for example, only your share of the property will be counted as part of your capital. Your ability to sell it is factored into this, so if the other owner is either unable or unwilling to sell, this means it may add very little capital to your financial assessment. Additionally, your house is not actually counted as part of your capital if certain people still live there, including:

- Your spouse or partner.
- A child under 16 you are responsible for.
- A close relative aged 60 or above.
- A close relative under 60 years old and incapacitated.

This is not an exhaustive list, so if you have someone else living with you, talk to your local authority about other inhabitants who may affect whether or not your home is classed as capital.

Pensions and Benefits

Your pension and any benefits you are entitled to are another important aspect of your financial planning. The first thing to be aware of is that your pension is not affected by moving into a care home. However, your pension will usually be counted as part of your income, which means it can affect how much money - if any - you will receive towards your care costs from your local authority.

In terms of benefits, you will be expected to claim all those you are still entitled to. However, the benefits you are entitled to can change when you move into a care home.

If you currently receive **Attendance Allowance**, in most cases this stops within four weeks of moving into a care home - provided your local authority has arranged for or is contributing towards your care. If you are paying for your own care, this allowance will normally continue. The same is true of the care component of disability living allowance or Personal Independence Payments. Housing and council tax benefits usually stop once you move into a care home.

If you have a partner who used to claim these in your name, they will now need to claim them in their own. Exactly what benefits you are entitled to and how they affect your financial assessment can vary considerably depending on your personal circumstances. So, it is a good idea to seek advice.

Lasting Power of Attorney

Lasting Power of Attorney (LPA) allows a selected person (or persons) to make decisions on your behalf in the event that you are not mentally or physically able to do so – please note that arrangements for LPA vary across the UK, though the principles are broadly similar. To arrange LPA in England, you need

sufficient mental capacity to be able to make sound decisions - so it is a sensible precaution to arrange this while you are well, even if you don't foresee any issues in the future.

There are two types of LPA. You can either arrange just one or both.

Health and Welfare LPA- Allows your chosen attorney to make decisions about your medical care and treatment options, moving into a care home and your day-to-day routine, such as dressing and eating. It is designed to help people who have lost the capacity to take such decisions, usually through dementia.

Property and Financial Affairs LPA - Gives your chosen attorney power to make decisions about your property, such as selling your home and any financial issues, such as bill payments or managing your bank account. Again this is designed to help people living with dementia but it may also be helpful for people who do not wish to take on these sometimes difficult and time-consuming areas.

Who Can I Give LPA To?

You are free to choose from a wide range of people including family, friends or independent advocates - but there are restrictions. Whoever you appoint must be over 18, in good mental health and, if they are to be in charge of a property and affairs LPA, they must be financially solvent. They must also consent to take on the role. You can also appoint more than one attorney if you choose. If you do so, you can request that all actions require each attorney's signature, or just one of them. You can apply this as a blanket rule across all decisions, or to individual circumstances. For instance, you might request that any decisions regarding your medical care require the signature of all attorneys, while decisions about bill payments need the signature of just one.

How Do I Make an LPA?

You can appoint LPAs through the Office of the Public Guardian. First select your attorney(s), then fill in the forms before registering your LPAs with the Office of the Public Guardian. The whole process can take up to 16-20 weeks.

Financial Advice and Useful Resources

We have also provided a list of organisations which offer financial advice, as well as others that provide information on the process involved in paying for care. This list is by no means exhaustive but can be used as a starting point for you to research your options.

Working out how to pay for your care home can be complicated, but there are plenty of organisations to turn to for financial advice.

Age UK is a charity that aims to help people navigate ageing. It provides advice on a range of subjects, including money and health. It has offices across the UK.

Phone (England): 0800 169 80 80

Email (England): contact@ageuk.org.uk

Address (England):

Tavis House 1-6 Tavistock Square London WC1H 9NA

Bridgefast offers advice for those who are looking to sell their home and can manage other property-related services, such as house clearance, should you require them. It can also provide bridging loans prior to your house being sold to help with care fees.

Phone: 0333 4008121

Email: info@bridgefast.co.uk

Address: Belevedere House Basing View Basingstoke RG21 4HG

Citizens Advice Bureau This organisation provides free, independent advice. It can help you understand what your financial rights are when moving into a care home. It has local offices across the country, which you can contact directly for advice.

Phone: 03444 111 444 (England)

Online advice: <https://www.citizensadvice.org.uk/consumer/>

Address: Citizens Advice 3rd Floor North 200 Aldersgate London EC1A 4HD

Who to contact for additional support financial advice is not the only kind of support you might be looking for. From help selecting your care home to knowing whether an LPA is right for you, there are all sorts of organisations that can assist.

Elderly Accommodation Counsel This charity helps you make informed choices about both your care and housing needs. It services run from basic advice through a helpline to personal advice packages tailored to your needs.

Phone: 0800 377 7070

Email: info@firststopadvice.org.uk

Address: EAC 3rd Floor 89 Albert Embankment London SE1 7TP

Independent Age offers free advice on care, social support and benefits, and also runs a volunteer befriending service.

Phone: 020 7605 4200

Email: charity@independentage.org

Address: Independent Age 18 Avonmore Road London W14 8RR

Saga Care Funding Advice Service specialises in providing advice for people who will be paying for their own care. The service is provided by Just Retirement Solutions Limited, and is a no-obligation service, which means you won't be charged if you do not proceed with its recommendations.

Phone: 0800 096 8703

Website: www.saga.co.uk

Symponia Specialising in care fees planning, can advise on all aspects of paying for a care home, navigating the care funding system including related issues such as equity release and financial products.

Website www.symponia.co.uk

Kent County Council the local authority to Iden Manor Nursing Home. They will be able to offer independent advice, health needs assessment and financial assessment

Phone: [03000 41 61 61](tel:03000416161)

<https://www.kent.gov.uk/social-care-and-health/care-and-support/paying-for-care>

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