

# Paying for your Care Home

in Lambeth

## Introduction

When Lambeth Council arranges a place for you in a care home, the Government's rules say that the Council must assess your income, 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 will:

- tell you about the national charging rules; and
- provide answers to some of the questions you may have about arranging and paying for long-term residential care in Lambeth

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

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.

*The leaflet 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, please contact the Money Advice Service for advice and further sources of information by visiting [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)*

## The services covered in this guide

This document sets out how Lambeth 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; or 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 carer 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 – cares for those people who are frailer, have more complex needs or, who are dependent on the assistance of care staff for most of the activities of daily living, who 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 care homes with nursing which the Care Quality Commission has registered to provide specialised care and support for older people with advanced dementia.

## Applying for funding from Lambeth Council

The vast majority of 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 - these 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 or a nursing home or an extra care housing scheme.

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

- be assessed by a Council Social worker as needing care in a care home; and
- have less than £23,250 in savings or capital; and
- have a weekly income that is less than the weekly cost of the care home you have chosen; and
- be a resident of the London Borough of Lambeth

**If you do not meet these above conditions, you will have to pay the full cost of the care home yourself.**

Exempt from the rules above, there are 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 health service or another source.

These include people who...

- receive "Intermediate Care" - *this is a short stay of up to six weeks in a nursing or residential care home for rehabilitation to help keep them independent*
- are funded by the NHS under Continuing Healthcare
- are war pensioners and qualify for help from the Veterans Agency - *under the War Pensions scheme*
- stay in a care home under Section 117 aftercare of the Mental Health Act 1983 - *following a compulsory stay in hospital for mental health treatment under certain sections of the Mental Health Act*

**If you are not in one of these groups - you will have to pay a weekly charge, the level of which will depend on your financial assessment**

## If you qualify for funding from Lambeth Council

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

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

This is a **financial assessment**.

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

### The information that you will need to provide for your financial assessment:

When the Council does the financial assessment, a member of the Finance Team will send your Financial Assessment Form in the post for you to fill in and return to us. This form will tell the Council about your income and your capital.

#### 'Income' means:

- Social security benefits – such as Attendance Allowance, Carer's Allowance, Disability Living Allowance or Personal Independence Payment
- Occupational pensions from former employment
- Any other money you may have coming in

#### '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

If you have asked for the financial assessment form to be posted to you, the Council will ask you to complete, sign and return the form within 4 weeks. If you or your representative do not provide the evidence by the end of the 4 weeks, the Council will assume that **you can afford the full cost**. They will then 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 as soon as possible so they can allow more time for completion of the form.

You have to tell the Council about all your **financial assets** to prove to us that you are unable to pay for your care. The Council will use the financial assessment to 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 will ignore capital of £14,250 or less when it works out how much you have to pay (and so will only take income into account)

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 with the completed financial assessment form.

You should note that the Council can take legal action in respect of care home fees owed to the Council and can apply to the Court to place a charge on your property, in the case of a refusal to co-operate with the financial assessment process, or if the Council has 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 the value of your home within your capital.

The Council will **ignore** the value of your home if you can meet any of the following options:

- 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 continues to live 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 twelve (12) weeks** after you move permanently into a care home.

#### This is called the 12-week property disregard.

First the Council will work out your weekly charge 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 a permanent move.*

The purpose of the 12 week property disregard period 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**.

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
- and you do not have enough income or other assets to meet the cost of care
- and the Council agrees to take over arrangements for your care
- and you apply to the Council within 12 weeks of moving into permanent care

You will not be eligible if:

- your stay in the care home is only temporary
- or your property is already disregarded because you qualify for the exemptions listed above
- or 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 property disregard ends from the date of the sale.

After the first 12 weeks in the care placement as a long-stay resident, and if your home is not exempt from charges, the Council will 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**.

## Paying for your care home

### 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 of assets**.

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 decides 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 etc.

This is called the Personal Expenses Allowance which the government reviews each year - it is currently (from 11 April 2022) **£25.65 per week**.

If you get the mobility component of Disability Living Allowance or Personal Independence Payment, you will continue getting it.

- If you are receiving Attendance Allowance, the care component of the Disability Living Allowance, or the daily living component Personal Independence Payment, these benefits will stop after the first 4 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 may qualify for up to £8.60 of savings credit depending on their income.

## 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 charge, your charge is worked out using the following calculation:



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 Disability Living Allowance or Personal Independence Payment
- Some or part of any war pensions
- Some charitable payments

The national charging rules allow the Council to include £1 per week for every £250 interval or part you have between the lower threshold of £14,250 and the upper threshold of £23,250 when working out how much money you will contribute to your care.

This is called **tariff income**.

*Example: Margaret has capital of £18,100, which is £3,850 above the lower capital limit of £14,250. Dividing £3,850 by £250 equals £16, meaning that Margaret will contribute £16 per week to her care in addition to any assessed contribution from her income.*

## Paying your contribution

In most cases, you will pay your contribution direct to the home.

The Council will send you a financial assessment contribution letter which will include the breakdown of your calculated charge. It will show you how your contribution has been worked out and will tell you how much to pay.

The care home should not ask you for any more money unless you have chosen to purchase additional facilities or services such as hairdressing, dry cleaning, aromatherapy, etc., which 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, the Council must give the home four (4) weeks' notice.

The Council's contract with the care home will include payment for your room for 7 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 in line with the DWP annual uplift of benefits.

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. You can contact them via telephone on: **020 7926 4993**, or email via: [financialassessment@lambeth.gov.uk](mailto:financialassessment@lambeth.gov.uk).

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 (6) weeks. The care home will continue to collect your contribution towards the weekly fees. You will need to pay your contribution for as long as your belongings remain in the room.

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 a different 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 Social Worker may be able to suggest an alternative at the Council's normal maximum price level.

The Council has 'block' contracts with some care home providers in Lambeth, and Lambeth Council funded residents have priority for these contracted places. 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 you are looking for a placement from hospital you may be required to consider a temporary placement in a care home determined by the local authority until your preferred care home is identified and funding agreed. This is to reduce pressure on hospital beds.

## Top-up Policy

Some people want to have a wider choice of care homes so they like to consider homes that cost more than the Lambeth Council rate.

You can choose to go into a more expensive home if someone else, like a relative, is willing to pay the extra cost.

This is called a **third party top-up arrangement**.

There are six conditions which need to be met in determining the choice of accommodation a person will go in to, before a top-up arrangement can be made:

### 1. Needs

The care and support plan (or carers support plan incorporating services for a cared for person) must specify that a persons' needs will be met in a care home; shared lives scheme; or a supported living accommodation setting.

### 2. The type of accommodation

The preferred accommodation must be the same as is specified in the persons plan. A person is not able, for example, to choose a particular care home if their care and support plan specifies that their needs are to be met by the provision of supported living accommodation, shared lives or extra care housing.

### 3. Cost

The council would provide at least one option within the personal budget sufficient to meet the persons' agreed needs.

### 4. Availability

The accommodation must be available. If the person wishes to live in a specific care setting and it is not available at that time then it may be necessary for them to go on a waiting list until a vacancy is available. In this event interim arrangements will be put in place, which could involve a temporary stay in alternative accommodation or a package of care in the person's home. The local authority must provide the person with clear information in writing on the detail of the arrangements as part of their care and support plan. This should include the likely duration

of the arrangement, information on the operation of the waiting list for their preferred setting alongside any other information that may be relevant. The local authority must also set out how long the interim arrangement may last for. If any interim arrangements exceed 12 weeks, the person may be reassessed to ensure that both the interim and the preferred option are still able to meet the person's needs and that remains their choice.

### 5. Terms and conditions

The service provider of the specified accommodation must agree to the council's usual terms and conditions. We refer to this as the service agreement (contract), which the provider must sign before the service can go ahead.

### 6. Suitability

The accommodation must be suitable to meet a person's assessed needs.

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.

The person paying the top-up should also be aware that the top-up amount may vary as service providers' review their fee levels and this may affect the level of the top up payment. However, the provider must inform the council of any planned fee increases and should never approach the person making the 3rd party payments.

*Example – David:*

*David is 83 and lives in Brixton. He is about to leave hospital after having a fall at home and his increased needs mean that he needs to move into a care home.*

*There are four care homes that can meet his needs, which have a vacancy, and which have accepted the Lambeth Council rate of £414.00 per week.*

*However, David's family decide that he should move into a different home that charges £650.50 per week.*

*As the cost of this home is £236.50 a week above the Lambeth Council rate, David's family would have to agree to pay the £236.50 difference per week as a third party top-up.*

The third-party person paying the extra costs in the top-up agreement will 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 paying the top-up will have to keep up the payments or 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 – due to the fact that 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 reserves 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 Lambeth Council rate, you may be able to get charities or benevolent societies to help you meet the extra cost.

Your social worker may be able to give you advice about which charities may be able to help you.

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

- you are receiving financial support from Lambeth 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 to pay the maximum you can afford.*

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.

A service user may also use their own money in the top-up agreement if the accommodation is being provided under Section 117 of the Mental Health Act 1983.

## If you choose a home outside of Lambeth

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

- If the rates in the local authority are **MORE** than Lambeth's rates, then Lambeth Council will pay the Lambeth rate and you may have to top up the difference.
- If the rates in the local authority are **LESS** than Lambeth's rates, then Lambeth Council will pay the relevant rate for that local authority.

*Example: Ethel is 97, lives in Streatham, and has dementia. Adam, her son, wants Ethel to move nearer to his home in Manchester.*

*Adam has found a care home for people with dementia that can meet Ethel's individual needs, and has a vacancy. It is only four miles from his home in Altringham.*

*The weekly local authority rate for care homes for people with dementia in Altringham – which is set by Trafford Council – is £430.*

*The local authority rate for Trafford Council is £15 per week lower than the Lambeth rate, meaning that Lambeth Council would only pay £430 per week for that placement.*

## If you do not qualify for funding from Lambeth Council

If you are one of the 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 of the policy provides 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 do not wish to sell it, can apply for a long-term loan from the Council (this is a Deferred Payment agreement)

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

If you have capital or savings totalling to 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.

You may wish to contact AgeUK Lambeth for advice and information

If you are arranging your own care home placement, it would be sensible to discuss (with the home) what will happen if/when your savings have run down to below £23,250, to gain 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 that 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 of these inspection reports can be found on the CQC website; [www.cqc.org.uk](http://www.cqc.org.uk)

Using information from the CQC website you should complete the following actions:

- Make a shortlist of suitable care homes in your area that fall 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
- The cost of care varies from region to region – you could save money by relocating
- Don't forget to 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 by talking to:

- Your social worker or assessor
- A district nurse
- A health visitor
- Your family doctor

## Help with financial costs

If you get Attendance Allowance (AA), the care component of the Disability Living Allowance (DLA), or the daily living component of the Personal Independence Payment (PIP), you should be able to claim this benefit for the first 4 weeks after admission to long-term care.

It will stop for the following 8 weeks, and then you will need to claim it again from the **13th week** onwards.

If you enter into a Deferred Payment Agreement with the Council 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 your contribution 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 Lambeth (with no help from the council), you may get financial help from the Council when your savings fall 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 we may be able to give to you.

You should contact the Council at least twelve (12) weeks before you expect the value of your savings to drop below £23,250. This is to allow enough time for a needs assessment to be completed and your case to be considered by the Council before your savings drop below the £23,250 threshold.

The Council will arrange for a social worker to visit you to assess your needs.

You will only be eligible for financial help from the Council once your savings fall below £23,250, if it decides:

- That you need to be cared for in a care home; **and**
- That 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 in the form of a financial assessment.

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

If you move into a care home outside Lambeth, that is privately arranged and funded and then run out of money later, you must contact the Social Services department of the council for the area where you are living. This is because you will be classed as a resident in their area by then, and thus 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](http://www.gov.uk/find-your-local-council).

## Deferred Payment Agreement

If the Council assesses that 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 following your death.

This Deferred Payment Agreement is a **long-term loan** from the Council.

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

## 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.

Please note that any Financial Adviser offering investment advice about funding long-term care has to be appropriately qualified and is subject to CF 8 regulation by the Financial Services Authority.

More information about a financial Adviser can be found on the Money Advice Service website: <https://www.moneyadviceservice.org.uk/en/articles/get-financial-advice-on-how-to-fund-your-long-term-care>

The process for applying for a Deferred Payment Agreement from Lambeth Council

1. You apply to Lambeth Council for a Deferred Payment Agreement
2. The Council can decide whether it will or will not accept your application. 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 Lambeth 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. 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. 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 current interest rate is 1.85%. The interest rate will change every six months on 1st January and 1st 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, we may consider taking legal action if we 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 to this level.

## 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 retain up to £144.00 a week from your income 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 of Deferred Payment

Lambeth Council can choose whether it agrees to a request for a Deferred Payment Agreement. It will not refuse reasonable requests but may not agree to applications where:

- 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 or
- 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 receive a statement of the reasons for the refusal, and information about how you can complain about the decision the Council has made.

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 those people who own property of more than £23,250 in value have sufficient assets to fund their own care without public funding.

## Using your own money to pay for Deferred Payments and top-ups

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 Lambeth standard rate for someone with your assessed need...

This means that 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 for the entirety of the time your spouse – i.e. your wife, husband or civil partner - continues to live there.

If you and your spouse own the home jointly, the charging rules say when your home is sold, 50% of the proceeds of the sale belong to you and the Council should reassess your charge because you could 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 this is necessary for them to be able to buy a more suitable home – such as a flat or a bungalow or other property in a more expensive area.

The new property should also be registered in both names.

The Council would not regard this as 'deprivation of assets', but half of any money left over after the purchase of the second property would belong to you, and so the Council would, therefore, review how much you contribute to your care to include your 50% 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 additional profit you have received by selling your home.

The new property should also be registered in your name because you would have provided the money to buy it from the proceeds of the sale of the 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.

## If you are getting funding from the NHS

NHS 'Continuing Healthcare' is the name given to services which are arranged and funded free of charge by the National Health Service for people outside of hospital.

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

Under the NHS Continuing Healthcare, the NHS will pay for all your healthcare in your home (for example seeing a community nurse) and personal care. In a care home, the NHS will also pay for 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 which interact making them difficult to manage
- Intensity – one or more needs which are so severe that 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 placement in a care home with nursing, 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

If you need help to manage your money, a trusted friend or relative can act as a Lasting Power of Attorney on your behalf.

Lambeth suggests that you seek advice regarding a Lasting Power of Attorney from a solicitor or the Office of the Public Guardian.

There are 2 types of Lasting Power of Attorney:

- A 'personal welfare Lasting Power of Attorney' who can make decisions about health and personal welfare
- A property and affairs Lasting Power of Attorney who can make decisions about finances and property

You can place limits on what the attorneys can do. At all times they **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 Office of the Public Guardian.

To make someone a Lasting Power of Attorney, 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. Before the Lasting Power of Attorney can be used it must be registered with the Office of the Public Guardian. There is a fee of £82 to register the LPA.

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.

For more information on Lasting Power of Attorney, including how to register, visit

<https://www.gov.uk/power-of-attorney> or call **0300 456 0300** (Office of the Public Guardian).

## Useful sources of information, advice or guidance

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

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

---

### Disability Advice Service Lambeth

Disability Advice Service Lambeth (DASL) is a Disabled People's Organisation which works with disabled people, including those with mental health support needs, and older people and carers, mainly in the London Borough of Lambeth.

Tel: **020 7738 5656**

Email: **enquiry.line@disabilitylambeth.org.uk**

Web: **<http://www.disabilitylambeth.org.uk/>**

---

### Age UK Lambeth

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

Tel: **020 7346 6800**

Email: **info@ageuklambeth.org**

Web: **<https://www.ageuk.org.uk/lambeth/>**

---

### Carers Hub Lambeth

Information, advice and support for adult and young carers.

Tel: **020 7501 8970**

Email: **connect@carershub.org.uk**

Web: **<http://carershub.org.uk/>**

---

### Elderly Accommodation Counsel and First Stop Advice

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

Tel: **0800 377 7070**

Email: **info@firststopadvice.org.uk**

Web: **[www.eac.org.uk](http://www.eac.org.uk)**

---

### Money Advice Service

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

Tel: **0800 138 7777**

Web: **[www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)**

Email: **enquiries@moneyadviceservice.org.uk**

---

### NHS Choices

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

Tel: **111**

Web: **[www.nhs.uk](http://www.nhs.uk)**

---

### PayingForCare

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

Web: **[www.payingforcare.org](http://www.payingforcare.org)**

Online form: **<http://www.payingforcare.org/form/contact-us>**

---

### 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.

Tel: **0800 4 70 80 90**

E-mail: **info@thesilverline.org.uk**

Web: **[www.thesilverline.org.uk](http://www.thesilverline.org.uk)**

