NEXUS

CARE SERVICES

A guide to funding care at home

Helping you make confident decisions about care in your own home





Introduction to funding care

When it comes to seeking care for yourself or a loved one, its one of the most important, yet challenging, aspects is understanding how to pay for that care.

The journey to finding the right care often starts with finding the best home care options, but for many families, it's the cost of care that can be a primary concern.

Home care or domiciliary care can provide significant benefits for those who want to remain in the comfort of their own home, but the costs have to be considered when weighing up your options.

Whilst home care can be a far more cost-efficient than residential care home, you still need to understand how care is funded and what support is available.

No one should have to make care decisions under financial pressure, which is why it's essential to understand the support that is available and how to access it.

This guide will you understand the options available and explain how the care funding system works so that you have the clarity to make the right choice for your loved one.

Home care funding - the basics

Funding home care can be complex, but understanding the available options is the first step in securing the right care for you or your loved one.

In the UK, there are several routes for financing home care, depending on your financial circumstances and the level of care required. The key sources of funding include:

- Self-funding.
- Local authority funding.
- NHS funding.

The funding of care depends on several factors, including the individual's financial situation, the specific type of care needed and the availability of public support options. In this section, we'll give an overview of each funding source and explain the eligibility criteria, assessment processes and what you can expect in terms of financial support, before diving a little deeper into each option.

It's important to note that care funding isn't a 'one-size-fits-all' solution, it's a combination of factors, such as savings, income and the complexity of care needs, that will determine how costs are covered.

Self-funding

For some individuals, the cost of private home care will need to be fully covered by themselves, often referred to as self-funding. This typically applies to people with savings or assets above the eligibility thresholds for local authority funding.

If you are a self-funder, you will be responsible for paying for your care costs either out-of-pocket or through personal savings. The benefits of self-funding include greater flexibility and choice over the care providers you choose and the care packages you select.

However, it also comes with the responsibility of managing the finances yourself, which can be significant depending on the level of care needed.

For self-funders, the cost of home care can vary widely depending on location, the type of care required and the provider.

Local authority funding

If you have savings below certain thresholds, you may qualify for funding from your local authority, which can contribute to the cost of care services based on your care needs and financial situation.

Each local authority sets its own rules, but there are general thresholds for capital (savings, investments, etc.):

- **England:** £23,250 or more — self-funding.
- **Wales:** £24,000 or more — self-funding.
- **Scotland:** £27,250 or more — self-funding.

If your savings fall below these limits, you may qualify for partial or full funding from the local authority, depending on your situation.

To determine eligibility, you will need to ask your council for a care needs assessment and a financial assessment (means test).

You may be referred to a local authority by a GP or existing carer or if you are being discharged from hospital, you will be given a care needs assessment to work out what care services you require to return home.

Here are the different type of assessments that will be undertaken:

- **Care needs assessment:** This free assessment helps determine the level of care you need. It looks at your ability to perform daily tasks, such as eating, dressing and bathing and whether you need assistance at home.
- **Financial assessment:** This assesses your income and savings to decide how much you can contribute toward the cost of your care. The local authority will pay for the remainder of the fees.

If the local authority determines you can contribute, they will offer a care package based on your needs and funding level.

You may be asked to pay top-up fees if your choice of service is more expensive than what the local authority can cover.

When the council is working out how much you can be charged, they will ensure that you are left with a minimum level of income, known as the 'Minimum Income Guarantee' (MIG), which ensure you have enough funds to cover your normal daily expenses.

It is important to note that when someone receives home care and owns their home, the property's value is not counted in the capital assessment as part of the local authority's review and you must also be left with enough money for housing-related costs, like rent, if you do not own your own home.

NHS Continuing Healthcare (CHC)

For those with complex or severe health needs, NHS Continuing Healthcare (CHC) funding may be available.

CHC is a fully-funded care package provided by the NHS for individuals with a primary health need, which is assessed through an eligibility process.

Unlike local authority funding, CHC is not means-tested, so eligibility is based on the severity of health needs, not income or savings as follows:

- **Eligibility for NHS CHC:** To qualify, you must have severe or complex health needs that require significant care. NHS CHC can cover both home care and care home fees, providing a comprehensive package of care.
- **Assessment process:** The assessment involves a two-stage process, a screening checklist followed by a full assessment by a multidisciplinary team (doctors, nurses and social workers). If you are eligible, NHS CHC will fund the entire cost of your care.

If you qualify for CHC, you won't need to pay for any care costs related to your primary health need.

However, if you only qualify for NHS-funded nursing care (not full CHC), the NHS will contribute towards the cost of nursing care, but you will need to self-fund the remaining care fees.

NHS-funded nursing care

For those who require nursing care in a care home but do not qualify for full NHS Continuing Healthcare, NHS-funded nursing care provides a contribution to the cost of nursing services.

This funding is typically available to individuals who are assessed as needing nursing care but do not have the level of health needs required for full NHS CHC funding.

NHS-funded nursing care is a fixed, flat-rate contribution paid directly to the care home to cover the cost of the care provided.

While it doesn't cover the full cost of a care home, it can be a useful option for those requiring ongoing nursing services but not the full package of CHC.

Understanding the different ways in which home care can be funded is crucial in making informed decisions for yourself or your loved ones.

Whether you're considering self-funding, applying for local authority support or seeking NHS Continuing Healthcare.



Self-funding your care

When you or a loved one need care but are not eligible for local authority funding or NHS Continuing Healthcare, self-funding becomes the primary option.

This means you will need to pay the full cost of your care from your own savings, assets or income. While this may seem daunting, self-funding offers more control and flexibility in choosing the care that best suits your needs.

Understanding self-funding for home care

Working for us means being able to make a career in care with the chance to take on roles that come with additional training, career progression and higher rates of pay.

Many of our carers go on to achieve a wide range of qualifications including in case, including NVQs, thanks to our carefully structured support training programme.

Understanding self-funding for home care

If you are a self-funder, you are responsible for managing your care expenses. This can be an ideal solution for those who have sufficient savings or assets to cover the costs of their care, but it's essential to know exactly what you're committing to in terms of both short-term and long-term financial planning.

When you self-fund, you can choose from a wide variety of care services, including home care services, live-in care options and care homes.

The freedom to choose your care provider is one of the key advantages of self-funding, but it comes with the responsibility of managing the financial aspects, from securing a provider to paying for the services on an ongoing basis.

Covering the costs of self-funding

The cost of home care will vary based on several factors, including the location of care, the level of care required, the care provider you choose and individual circumstances.

If you're considering self-funding, there are different options available for paying for home care.

Depending on your circumstances and preferences, you can manage the costs in a way that best suits your financial situation:

Personal savings	Many self-funders use personal savings to pay for their care. If you have enough savings set aside, this can be a straightforward method of managing care costs. However, depending on your savings, the cost of care could quickly deplete your funds, so it's important to plan for the long-term impact.
Income	For some individuals, regular income from pensions, investments or rental properties may be used to fund care costs. This is more common in individuals who have a steady income stream but may not have significant savings.
Family support	In some cases, family members may contribute to the cost of care, particularly if the individual has limited savings or assets. This could take the form of financial contributions or the provision of practical support, such as helping to manage the care arrangement. For homeowners aged 55 or over, equity release offers another option for self-funding.

This process allows you to access the equity tied up in your property without needing to sell your home.

Equity release schemes provide a way for individuals to unlock funds from their home to pay for care costs, offering financial flexibility without needing to move out of the property. Equity release can be a useful tool for self-funders, it's essential to seek advice from a financial adviser.

Equity release will reduce the value of your estate and may affect your entitlement to means-tested benefits, so it's crucial to fully understand the implications before proceeding.

What are the advantages of self-funding?

Self-funding offers several benefits, especially when compared to relying on public funding:

- **Choice and control:** You can choose the care provider that best fits your needs, rather than being restricted by local authority options. This also allows for flexibility in the level of care received.
- **Quicker access to services:** If you're self-funding, you won't have to wait for the local authority's means test and assessment processes, allowing you to arrange care services more quickly.
- **No limitations on care choices:** As a self-funder, you have the ability to choose higher-quality care homes or more specialised care services, even if they exceed the standard care rates set by local authorities.

How to manage self-funding

If you choose to self-fund, it's important to plan carefully to ensure that your savings and assets last as long as possible.

Here are some tips for managing self-funding effectively:

Get a care needs assessment	Even if you're self-funding, it's still essential to get a care needs assessment from your local authority. This will give you a clear understanding of the level of care required.
Consult a financial adviser	A financial adviser who specialises in care fees planning can help you understand the best ways to manage your funds, explore equity release options and ensure that you're making the most of your resources.
Budget for care	Creating a detailed budget can help you track your spending on care and ensure that your financial plans align with your long-term goals.

Local authority funding

If you're unable to self-fund the full cost of home care, local authority funding may be available to help cover some or all of your care costs.

Local authorities are responsible for supporting individuals who need care but lack the financial means to pay for it in full.

The amount of support you receive will depend on a variety of factors, including your care needs and your financial situation.

This section explains the assessment process for local authority funding, including how the local authority determines your eligibility and the financial thresholds that affect the amount of support you receive.

The local authority assessment process

The first step in accessing local authority funding is to undergo two key assessments: the care needs assessment and the financial assessment.

Care needs assessment

A care needs assessment helps determine the level of care required, based on your physical and mental health needs. The assessment looks at how well you can perform everyday tasks such as bathing, dressing, eating and getting around.

This process is free and can be requested from your local authority's adult social services department. If you have a GP or district nurse, they can also make a referral on your behalf.

If the care needs assessment shows that you require help, the local authority will determine whether you qualify for financial assistance based on the severity and type of care required.

It is important to note that even if you are self-funding, you can still request a care needs assessment to ensure the recommended level of care is appropriate for your situation.

Financial assessment (means test)

After the care needs assessment, the local authority will conduct a financial assessment, also known as a means test, to determine your eligibility for funding. This assessment evaluates your income (such as

pensions, benefits and wages) and capital (including savings, property and investments). Your main property will usually be excluded from the means test unless you are moving into a care home, in which case the value of your home may be taken into account.

The means test will determine if you qualify for partial or full funding from the local authority.

The thresholds for local authority funding are as follows in England
If you have savings above £23,250, you will be considered a self-funder.

If your savings are below £14,250, the local authority may fully fund your care. For savings between £14,250 and £23,250, you will be expected to contribute to your care based on a sliding scale.

Here is a simple table to show you how this works in reality:

Your capital	Amount you may have to pay
Over £23,250	You have to pay your own fees.
Between £14,250 - £23,250	You qualify for financial support from the council and pay a contribution from your, plus a 'tariff income' based on your capital, which is calculated by assuming you have an extra £1 per week in income for every £250 (or part of) you have between £14,250 and £23,250 in capital.
Less than £14,250	The council provides financial support and you will still contribute from your income, but you won't have to pay a tariff income.

Remember that your property's value is not counted in the capital assessment as part of the local authority's review during a home care assessment, unlike assessment for residential care services.

The council must also ensure that you receive the 'Minimum Income Guarantee' to meet your day-to-day living costs.

Direct payments

If you are eligible for funding from the local authority, you may be able to receive direct payments.

Direct payments allow you to have more control over your care, as they are paid directly to you rather than to the care provider.

You can then use the funds to hire your own care worker or choose a care provider that suits your needs. This provides flexibility and personal choice, allowing you to tailor care arrangements to the preferences of you and your loved one.

Direct payments are particularly helpful for individuals who want to personalise their care plans and have greater involvement in the hiring and management of their care providers.

Deprivation of assets and how it affects funding

It is important to note that deliberately giving away assets to avoid paying care fees is not allowed. This is commonly known as deprivation of assets.

If it is suspected that assets have been intentionally given away, the local authority can include these assets in the assessment and calculate the fees as if you still owned them.

Examples of deprivation of assets could include gifting large sums of money to family members, selling property for less than its market value or transferring assets to a trust to avoid including them in the means test.

If asset deprivation is suspected, the local authority may refuse or reduce funding and potentially resulting in financial penalties.



NHS funding: NHS Continuing Healthcare (CHC)

For individuals with complex or severe health needs, NHS funding, specifically NHS Continuing Healthcare (CHC), can provide a way to have the full cost of your care covered.

This funding is free and not means-tested. Eligibility is based on your health needs and whether they qualify as a primary health need.

This section outlines the eligibility for NHS Continuing Healthcare, the assessment process and how it can help cover the costs of home care and care home fees for those with complex medical needs.

What is NHS Continuing Healthcare (CHC)?

NHS Continuing Healthcare (CHC) is a free, fully funded care package provided by the NHS for individuals who have complex, severe and ongoing health care needs.

The care package can be provided in any setting, including at home or in a care home and is intended to meet a person's primary health need.

Unlike other forms of funding, such as local authority support, CHC is not based on financial means. It is available to anyone who meets the health criteria and it can cover a wide range of care costs, from nursing care to personal care.

Who is eligible for NHS Continuing Healthcare

Eligibility for NHS CHC is based on a holistic assessment of your health needs rather than the diagnosis of a specific condition.

To qualify, you must demonstrate that you have a primary health need that cannot be effectively managed in a hospital setting.

This means that CHC funding is generally for those with severe and ongoing health conditions, such as dementia, stroke, Parkinson's disease, multiple sclerosis, long-term neurological conditions or chronic conditions requiring ongoing care.

The eligibility for CHC is not determined by the presence of a specific condition but rather by how complex, intensive and unpredictable the care needs are.

The NHS will assess the impact of these needs on daily life and the extent to which they require ongoing support from healthcare professionals.

The CHC assessment process

To apply for NHS Continuing Healthcare, an assessment process is required. This process is carried out in two stages:

Screening: The first step is a screening checklist. This is a simple evaluation carried out by a nurse or social worker to determine if you may be eligible for CHC.

The checklist will assess factors such as the type of needs you have, their severity and their impact on your ability to perform daily activities.

The NHS Continuing Healthcare CHC Checklist considers 12 domains (areas) of care:

- ☑ Behaviour.
- ☑ Cognition.
- ☑ Breathing.
- ☑ Communication.
- ☑ Mobility.
- ☑ Nutrition – food and drink.
- ☑ Continence.
- ☑ Skin and tissue viability.
- ☑ Psychological and emotional needs.
- ☑ Drug therapies and medication.
- ☑ Altered states of consciousness.
- ☑ Other significant care needs.

These follow the same categories as the full assessment, often referred to as the Decision Support Tool.

These score against each factor using a simple A, B or C scheme as follows for assessment purposes:

- **A** – Requires high level of care
- **B** – Requires moderate level of care
- **C** – Low or no care requirements.

The Checklist scoring threshold is set intentionally low, as it intended to screen people in rather than out.

You will normally be fully assessment if you have any of the following:

- Two or more As.
- Five or more Bs.
- One A and four Bs.
- **An A in any of these areas:** behaviour, breathing, symptom control, altered states of consciousness.

Whilst these are the normal considerations for most assessors the final decision is at the discretion of your Integrated Care Board (ICB), who are in charge of CHC in your area. If you 'screen in' with a positive result, a full assessment will be conducted, but if you don't meet the criteria, you may be directed to other forms of funding or support.

Full assessment: If the initial checklist suggests that you may be eligible, a full assessment will take place.

This assessment is carried out by a multidisciplinary team of healthcare professionals, including doctors, nurses and social workers, who will evaluate your overall care needs.

The team will consider various factors such as the nature and complexity of your needs, how unpredictable they are and the level of care required. This comprehensive assessment ensures that the NHS is providing CHC funding to those who truly require it.

Once assessed, if you qualify for NHS Continuing Healthcare, your care package will be fully funded and you will receive a free care service based on your needs.

What care does NHS CHC Cover?

NHS Continuing Healthcare can cover a variety of care services, depending on the individual's needs. This can include:

- **Care at home:** For individuals who need intensive care but wish to remain in their own home. The NHS can arrange nurses and care assistants to provide the necessary care.
- **Personal care:** Help with daily living activities, such as washing, dressing, eating and mobility assistance.
- **Nursing care:** Provided by registered nurses to help manage complex medical conditions or to support ongoing healthcare needs.

Because the funding is provided by the NHS, there are no charges for the care you receive under the CHC scheme.

This can make a significant difference in managing the cost of care for individuals with complex needs.

Review and continuation of funding

Once you have been granted NHS Continuing Healthcare, your care package will be reviewed regularly to ensure that it continues to meet your needs.

Typically, the review process happens at three months after your initial assessment and/or annually or sooner if your care needs change. The purpose of the review is to assess whether your healthcare needs have changed, whether your level of care should be adjusted and whether CHC funding should continue.

If your needs improve and you no longer meet the criteria for CHC, the funding may be reduced or stopped. However, in many cases, the NHS will continue to provide care and clients are reassessed annually to confirm that they still meet the eligibility requirements.

How to apply for NHS Continuing Healthcare

If you believe that you or a loved one may be eligible for NHS Continuing Healthcare, the first step is to speak to a GP or social worker. They can guide you through the application process and help ensure that you are assessed for eligibility.

The process can take time and it's important to start the assessment as early as possible, particularly if you expect needing care in the near future.

Welfare benefits and grants

When funding home care, it's essential to consider all available financial support, including welfare benefits and grants. These benefits can help alleviate some of the costs associated with care, whether you're arranging care at home or in a care home.

Welfare benefits are particularly valuable because they are not means-tested and can help you manage the cost of care, regardless of your savings or income.

In this section, we will explain the different welfare benefits available to individuals receiving care and how you can access them.

Attendance Allowance

Attendance Allowance is a non-means-tested benefit available to individuals who are over State Pension age and require help with personal care due to illness or disability. This benefit is designed to help cover the costs of care, including the cost of a paid carer or additional support at home.

- **Eligibility:** To qualify for Attendance Allowance, you must be over State Pension age and have a disability or illness that requires you to have care or supervision. You do not need to have a specific medical diagnosis to qualify.
- **The allowance is paid at two rates:**
  - Lower rate: If you need help during the day or at night.
  - Higher rate: If you need help both day and night.

The allowance is tax-free and can be used for any care-related expenses, giving you greater flexibility in managing care costs.

The current rates for Attendance Allowance can be found on the GOV.UK website here and you can apply here.

The application requires a detailed description of your care needs and the help you require.

Personal Independence Payment (PIP)

Personal Independence Payment (PIP) is available for individuals under State Pension age who have a long-term health condition or disability.

Like Attendance Allowance, PIP is designed to help with the extra costs of living with a disability, including the costs of care.

- **Eligibility:** PIP is available to people who have difficulty performing everyday tasks due to illness or disability. This includes difficulties with activities like dressing, eating or moving around.
- **PIP is paid at two rates:**
  - Daily Living component: For help with day-to-day activities.
  - Mobility component: For assistance with moving around.

PIP is not means-tested, so eligibility depends on your condition and the impact it has on your daily life, rather than your income or savings.

You can apply for PIP through the GOV.UK website. The application process involves providing details about how your condition affects your daily life and may require medical evidence.

Combining funding options

In many cases, individuals and families will need to combine multiple funding sources to cover the full cost of care.

For example, a person may receive some support from their local authority, while also contributing self-funding or qualifying for NHS-funded nursing care.

Understanding how to combine these options can ensure that you're making the most of the financial support available.

When funding home care or a care home, it is essential to have a financial strategy to ensure all care costs are covered. Combining funding sources can often make care more affordable and provide you with the flexibility to choose the best care options available.


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Financial advice and support

Navigating the funding of home care can be complex and overwhelming, especially when it involves a combination of self-funding, local authority contributions and NHS support.

To ensure that you make the best decisions for you or your loved one, seeking financial advice and support is recommended. Professional guidance can help you understand your options, navigate the often-complicated processes and help you are making informed choices.

In this section, we'll cover the importance of seeking advice, the types of professional support available and the organisations that can offer invaluable guidance throughout your home care journey.

Why seek financial advice?

You may be able to handle certain aspects of care funding independently, specialist financial advice is essential when managing long-term care costs. Here's why:

Complexity of care funding: The care funding system in the UK involves a range of financial assessments and eligibility criteria that can be difficult to understand. A care fees adviser can help you navigate means testing, NHS Continuing Healthcare (CHC) eligibility and options.

Maximising available funding: Financial advisers can help you ensure that you are accessing all the welfare benefits and grants you may be entitled to, such as Attendance Allowance, PIP and Carer's Allowance. They will also guide you in maximising your assets and investments, helping you make the most of your resources without depleting your funds.

Planning for the future: Long-term care planning is about more than just immediate funding. A financial adviser can help you plan for future care needs, ensure that your financial decisions align with your estate planning and provide strategies for planning and IHT mitigation.

Peace of mind: The complexity of funding home care can lead to stress and uncertainty. Consulting a specialist financial adviser provides peace of mind, knowing that you have a clear and structured plan for funding care that works for your circumstances.

Types of professional support available

There are various types of professional advice and support services available to help families and individuals plan for and fund care.

These professionals have the expertise to navigate the complexities of care funding options and can provide tailored advice to suit your needs:

Care fees specialists: These advisers focus on providing specialist guidance on care funding, helping you understand your options for local authority support, NHS funding and self-funding. They are experienced in advising on care fees planning, ensuring that you make the most of all available financial support, whether through government funding or financial planning.

Independent financial advisers (IFAs): IFAs can offer broader financial advice on managing assets, investments and pensions while incorporating care funding options. They help clients plan for long-term care costs by providing strategies to protect assets and mitigate Inheritance Tax (IHT) while ensuring that care needs are met in the most cost-effective way.

Solicitors specialising in later-life planning: Solicitors with expertise in later-life planning, wills and trusts can help with legal matters related to care fees, including the creation of trusts to protect assets, reduce IHT and ensure a smooth succession plan.

Equity release advisers: If you're considering using equity release to fund your care, it's essential to speak to a specialist adviser. They can help you understand the risks and benefits of equity release, ensuring it's the right option for your financial situation.

Organisations offering support

In addition to financial advisers, there are charities and organisations that can offer free advice, guidance and support to individuals and families navigating the often complex and sometimes confusing process of home care funding.

These organisations provide resources, advice and sometimes even financial assistance to help you make informed decisions about funding your care.

Age UK: Age UK provides a wealth of information on care funding and welfare benefits for older people. Their advisers can help with benefit claims, understanding local authority funding and finding resources for financial advice.

Carers UK: This charity offers support for people who are caring for someone with significant needs. They provide advice on carer's benefits and financial support options, as well as emotional support for those balancing caregiving and financial responsibilities.

Alzheimer's Society: For families caring for someone with dementia or Alzheimer's, the Alzheimer's Society offers resources on care planning, funding options and guidance on accessing both local authority funding and NHS Continuing Healthcare.

MoneyHelper: A government-backed service that provides independent, impartial advice on a range of financial topics, including care funding. MoneyHelper can guide you through the process of arranging care, understanding your entitlements and accessing available support from local authorities.

Society of Later Life Advisers (SOLLA): SOLLA is a professional body that accredits financial advisers who specialise in later-life financial planning, including care fees. They can connect you with qualified advisers who understand the complexities of care funding and help you plan for the future.

In many cases care providers will have contacts who can assist you with your care funding or they may be able to offer some guidance to get you started.

Nexus Cares Service – Here to help you

Funding home care doesn't have to be a daunting task. Understanding your options – whether it's self-funding, local authority support or NHS funding – empowers you to make the best decisions for you or your loved one's care.

By being informed about the funding routes available and working with financial advisors or specialists in care fees planning, you can ensure that your care needs are met without unnecessary stress.

At Nexus Care Services, we understand how overwhelming it can be to navigate the complexities of home care funding. As an award-winning provider of Home Care and Live-in Care, we are here to support you every step of the way.

Whether you are looking for personal care at home or more comprehensive live-in care, our team is dedicated to providing tailored care solutions that fit your needs and your budget.

Our experienced team can help guide you through the care funding process, providing the support and clarity you need to make informed decisions.

With Nexus Care Services, you can trust that you're in safe hands.

We offer premium care services that can enhance your quality of life and provide you with peace of mind.

If you have any questions about funding home care or need assistance with planning your care options, please don't hesitate to reach out to us.



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