

Paying for residential care – *factsheet*

This factsheet has been produced in conjunction with the Adult Care Charging Policy 2025 and we advise you to read [the full policy](#). It tells you what to expect if you are having a financial assessment to work out how much you will pay for your residential care.

Following an Adult Strength Based Assessment, if you have eligible social care needs that will be met by you moving into a Residential Care Home, or a Nursing Home, you will have a financial assessment. This will determine how much you can afford to pay and how much the council will contribute to the cost of the care.

Our charging policy covers how this works in Lincolnshire and follows the regulations set out in the Care Act 2014. We are committed to ensuring that everyone is treated fairly, with an overarching principle that people should only pay what they can afford.

What do we mean by residential or nursing care?

Residential/nursing care is delivered in a setting where care is available 24 hours a day. Any decision for long term care would be based upon your assessed needs and this will determine if you require residential or nursing care. There are residential care homes across Lincolnshire which will meet different types of care needs and living preferences. You may, due to your needs require nursing care rather than residential care. Also if you have needs that are due to your health rather than a social care need, then you may be eligible for healthcare funding for some or all of your care.

Temporary residential care

You might need to move to a residential care home for a short period of time – we call this temporary residential care – which is any stay in residential care up to 52 weeks, with the intention to return to your home.

How will I be financially assessed?

Following your care needs assessment, you will be sent and asked to fill out a paper financial assessment form. This will ask for details of your income and expenditure, so our financial assessment team can work out how much financial assistance you need from the council towards the costs of your residential care.

Your social care worker will explain this to you and support you during this process.

Deprivation of Assets

Whilst people have a right to spend their money in a way they choose people with foreseeable eligible care needs have a responsibility to preserve their capital to pay towards their care. Deprivation of assets is a term used to describe an intentionally decrease in a person's overall assets, by putting them outside of the reach of the council to avoid or reduce the amount that they pay toward any care or support charges.

Lincolnshire County Council can, when assessing your eligibility for assistance, look for evidence of deliberate, or intentional, deprivation of assets; this could be for example gifting money, transferring property or other assets.

Any gifting including that under the Inland Revenue Inheritance tax thresholds could be deemed as a deliberate deprivation of assets to achieve local authority financial eligibility prematurely.

Should the council conclude that you have deprived yourself of assets in such a way as to avoid or reduce your charges, the council is entitled to treat you as still possessing that asset and it will be included in your assessment as "notional capital". This could mean that you will not be able to access state support. You can also deprive yourself of income, and, if you do so, this too will be included in your assessment as "notional income."

You can find out further information about deprivation of assets in the [Adult Care Charging Policy](#). Ask your assessor for a copy or visit the Council website: www.lincolnshire.gov.uk/assessments-finances/financial-assessments

You can also find out further information and some examples of common ways in which you may be considered to be depriving yourself of assets in the [Care and Support Statutory Guidance](#) in Chapter 8 (Charging and Financial Assessments) and Annex E (Deprivation of assets).

How much will I have to pay?

You can use the [Adult Care Cost Calculator](#) on our website to give an indication of how much you might have to pay towards the cost of your residential care before you complete a full financial assessment.

If you have over £23,250 in savings, investments and assets, you are likely to have to pay the full cost of your residential care. However, it is still worthwhile contacting us to discuss your options.

For charging purposes, the two types of residential care home stays are:

- temporary
- permanent.

Care home fees are made up of:

- costs for accommodation, laundry, meals, heating and lighting
- care and support costs (residential care, nursing care, dementia care).

When being financially assessed for a temporary stay, the value of your main or only home is not included in the calculations, as the intention is that you will return home. If you own a second home which you do not live in, you will pay the full costs of your residential or nursing home placement. Your income and earnings will be treated in the same way as permanent residents but you will be allowed additional expenses to maintain your home during your temporary residential care stay.

Do I have choice over the costs of my care?

As part of your care planning, we will discuss the type of accommodation that will meet your needs. As part of this process, you will be provided with a personal budget. The personal budget is the cost to the local authority of meeting your needs in a care home. We will make sure that at least one option is available to you at the councils expected cost i.e. within your personal budget.

We will support you to exercise choice over a care home. You can choose a care home that charges above our expected costs and your personal budget; if you do, then a top-up may be payable. This is the difference between your personal budget and the actual cost of the home. Some care homes are able to charge more for their rooms than the council's expected cost.

First and third party top ups

There are two types of top up – first and third party top ups.

First party top up

This is where you meet the cost of the top up. There are only three circumstances in which you can pay your own top up. A person can legally pay their own top-up when.

- if you have joined the deferred payment scheme. The top-up charge is added to the debt that is accruing.
- The second circumstance is where you have the benefit of the 12-week property disregard during which time you can top up from your own resources.
- The third circumstance is if you are receiving accommodation provided under Section 117 of the Mental Health Act aftercare. In these circumstances, where the resident is paying the top up it is known as a "First Party" top-up.

Third party top up

In most cases, a top up will be paid by a third party. The third party is usually a family member or friend who is willing and able to pay the difference between your personal budget and the actual cost of the home for the duration of the likely stay.

The council must be able to offer you at least one care home that can meet your needs within your personal budget. Where you have not expressed a preference and no suitable accommodation is available at your expected cost, the council will arrange care in a more expensive setting and adjust your personal budget accordingly. In these circumstances you will not be expected to pay a top up. Only where a more expensive setting has been chosen can a top up payment be sought. Your worker will be able to provide you with more information about top ups.

You should be aware of the implications of choosing a more expensive care home. In particular, both you and any person paying a top up will need to appreciate that you or your third party will need to meet the additional cost of that accommodation (the top up) for the duration of your stay. If the additional cost cannot be met, you may be moved to an alternative setting which is within your personal budget. If the top up payments fail to be paid the local authority will meet the costs in the interim whilst they make alternative arrangements for your care subject to a needs assessment.

Will my home count as part of the financial assessment?

If you are moving into a care home on a permanent basis, the value of your home will be considered, unless any of the following applied at the time of you moving into residential care:

- your husband, wife, partner or former partner continues to live there, except where they were estranged since before you went into a care home
- a relative aged 60 or over continues to live there
- a lone parent who is the person's estranged or divorced partner continues to live there
- a relative under 60 who is incapacitated, and receives certain disability allowances, continues to live there
- a child under 18 for whom you are financially responsible continues to live there.

To make sure you have enough time to make the right decision about moving into and funding residential care, the Care Act allows a period of 12 weeks from the date you first move into your care home where the value of your home is not considered in your financial assessment. This is called a '12-week property disregard'. Should you, however, choose a care home which costs more than your personal budget, a top up will need to be paid during this time. This can either be paid by yourself (as the potential resident) or from a third party such as a family member.

Personal Expense Allowance

Before any charges are made towards the cost of your care home, we need to ensure you are left with a minimum amount of income. This is known as the Personal Expense Allowance (PEA) and is set nationally each year by the Department of Health and Social Care. It is reproduced in our Annual Statement of

Charges which you can find [on our website](#). This is to ensure that you have money to spend as you wish on personal items such as clothes and other items that are not part of your care.

Independent advice

Paying for care can be complex, particularly if you are funding your own care. The council cannot provide individual financial advice directly, but we do recommend that you consider seeking independent financial advice as early as possible. We will assist you to understand how to access independent financial advice. We recommend that you check that any financial advisor you choose to use is registered with the Financial Conduct Authority (FCA).

You may also wish to take legal advice from a solicitor to assist you with any proposed arrangements. Should you wish to do so, the following link might be helpful: solicitors.lawsociety.org.uk/

Other factsheets available & contacts

[Paying for Adult Care](#)
[Deferred Payments](#)
[Paying for Community Care](#)
[Direct Payments](#)
[Self-Funders](#)

If you need to contact us:

Team	Contact details
Adult Care and Community Wellbeing Customer Service Centre	Phone: 01522 782155 Email: customer_services@lincolnshire.gov.uk Website: www.lincolnshire.gov.uk
Adult Care Finance Team	Non-residential services phone: 01522 552634 Residential/Nursing services phone: 01522 555255 Email: Fin_Assessments@lincolnshire.gov.uk

Lincolnshire County Council, in accordance with current legislation, wants to treat everyone fairly.

Although we do not translate things as a matter of course, there are times when the language barrier prevents people from accessing a service. In such cases it may be appropriate to provide an interpreter or written translation. Further information can be found at Lincolnshire County Council's [website](#).

In line with the Accessible Information Standard, where a customer needs this document in a different format, for example, large print, braille or easy read, they should contact us on 01522 782060.