

Care
Navigators

LOCAL AUTHORITY CHARGING

2025/26



Local Authority Charging - Later Life Care (England)

[The Care Act 2014](#) came into force from 1st April 2015 and is the legal framework for how the Local Authority identifies, meets and contributes towards the cost of care and support for adults in England.

You are entitled to an assessment even if you are likely to be paying the full cost of your care and don't have to be funded by the Council to benefit from their services, some of which are FREE and may support you to live at home independently.

To receive financial support from the local authority for Adult Social Care, they will usually have to assess your care needs, confirming that you meet the eligibility criteria. Only then can a financial assessment work out who pays what...

The financial assessment is free and happens after a needs assessment or carer's assessment.

Your local authority cannot include capital or income belonging to your partner in your financial assessment. Each person must be treated as an individual



The Local Authority doesn't have to make a charge for care and support but they usually do. After assessing a care and support need they will work out how much you can afford to pay with a financial assessment.

The Local Authority won't charge for;

- Giving information or advice
- Assessing your care and support needs, a carers assessment
- Arranging community care services for you
- Equipment and minor adaptations (up to £1000)
- After care services provided under Section 117 of the Mental Health Act 1983
- Any Non- Residential Services required by individuals suffering from Creutzfeldt Jacob Disease
- Re-ablement services (for up to 6 weeks) to help you stay independent

The Local Authority may charge for:

- Personal and Domestic care, such as cleaning and laundry
- Assisted shopping and meals
- Rehabilitation services and respite care
- Supported living and day care
- Telecare (Assistive technology)
- Live-in care, shared lives schemes
- Transport
- Direct Payment support/brokerage services

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The Local Authority will consider your income and savings (some disregards may apply) but not the value of your home while you, your spouse/partner or other family member over 60 or disabled are living in it (other disregards may apply). They may also 'defer' the cost of permanent care against the value of a property.



Can my Son move in to my house if I go into care? Whether the Local Authority disregard its value in an assessment will depend on his age, health and whether he was already living in it before you moved into care.

Savings and investments below £14,250 are not considered but if you have savings over £23,250 you will be considered a '**self-funder**' and must pay the full cost of your care and support. A 'tariff income' of £1 for every £250 or part of is applied to savings in between these upper and lower funding levels.



You won't have to pay towards care at home if your income is below the national minimum income. Wages from paid work do not count although money from company pensions will. For those moving into a care home half of a personal pension may be given to a spouse and a Personal Expense Allowance is allowed.

It is an individual care need that is being assessed and therefore their ability to contribute towards any cost.

Statutory guidance describes the local authority's power to divide a jointly held capital asset equally 'except where there is evidence that the person owns an unequal share.' If your savings are held jointly, half of the amount will be assessed as belonging to the person who needs the care.

Once assessed with an eligible care need, the cost to the Local Authority of providing that is a personal budget. The Council can arrange your care at home for you or you may want to do this yourself using your own care provider. If you wish to arrange your care you may receive this **personal budget** as a direct payment (if not self-funding)

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Other considerations

Private Pensions- If you enter a care home permanently and have a personal or private pension, an occupational pension or a retirement annuity, you can choose to pass 50 per cent to your partner remaining at home. This amount must be excluded or disregarded from a local authority financial assessment.

Before deciding whether to take advantage of the 50 per cent disregard, you should consider whether it benefits your partner financially. This is because receiving extra income can affect their entitlement to means tested benefits such as Pension Credit, Housing Benefit or Council Tax Reduction.

Separating Joint Accounts - Separating jointly held savings into individual accounts may make keeping track on care fees and bills more manageable BUT if you take half from a joint account and put it into the name of the partner not requiring the care, intending the Local Authority to split the remainder of the joint account it could be considered deliberate deprivation. Both Financial and Legal advice may be required

Power of Attorney – Sometimes children have a Power of Attorney for both parents which can cause a conflict if joint funds require separating or one partner requires more financial input than another, for example when care fees are needed. When this applies it is appropriate to bear in mind the Principles of the Mental Capacity Act 2005 and be guided by the Code of Practice. A Power of Attorney requires the Attorney to act in the 'Best Interest' of the person who no longer has the mental capacity to manage the decision. Both Financial and Legal advice may be required

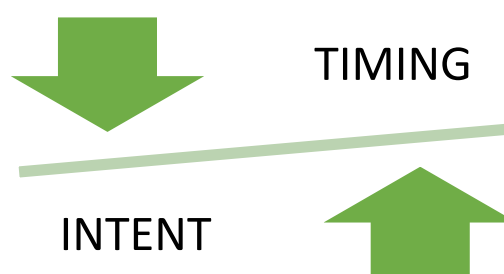
Deprivation of Assets



Can I give away my money? Everyone has a right to choose how they spend their money BUT if you give away your assets to avoid paying for care it may be considered as deliberate deprivation

[Annex E – Care and Support Statutory Guidance](#)

Deprivation of Assets – Depriving yourself of an asset isn't always done with the intention of avoiding paying for care. Both timing and intent is important. Before looking at the reason for the deprivation a Local Authority will consider when you reduced your assets and whether you could reasonably expect to need care and support.



Avoiding paying for care may not be the reason for reducing your assets or making a gift and a local authority should consider both the timing and intent before deciding whether the purpose of the deprivation is avoiding care and support charges as people with care and support needs are free to spend their income and assets as they see fit, including making gifts to friends and family.

What is meant by deprivation of assets? Deprivation of assets means where a person has intentionally deprived or decreased their overall assets in order to reduce the amount they are charged towards their care. This means that they must have known that they needed care and support and have reduced their assets in order to reduce the contribution they are asked to make towards the cost of that care and support.

Notional income/capital - In some circumstances a person may be treated as having income/capital that they do not actually have. This is known as notional income/capital. This might include for example income that would be available on application but has not been applied for, income that is due but has not been received or income/capital that the person has deliberately deprived themselves of for the purpose of reducing the amount they are liable to pay for their care

If you would like some help to understand a Local Authority financial assessment or aren't sure how the Council can help. [Please book a 10 minute fact finding FREE call](#)



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