

Paying for a care home

2026-2027



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Working together for a caring,
healthier, safer Edinburgh





Moving to a care home

A care home is a place where people can live and have their care needs met by trained staff in homely surroundings. Care homes offer a wide range of support:

- nursing care homes have trained nurses and additional equipment if you need it
- residential care homes do not provide nursing staff, but can ask a community nurse to visit you if needed.

The City of Edinburgh Council will assess your care needs. If it is decided that you need to live in a care home, we will assess whether you need a nursing home or a residential home.

- If you have been assessed for residential care and move to a residential care home, we will pay the standard residential rate.
- If you have been assessed for residential care and move to a care home that only accepts the nursing rate, we will pay the standard residential rate.
- If you have been assessed for nursing care and move to a nursing care home, we will pay the standard nursing rate.

You must discuss the rates with your chosen care home as we are unable to pay more than we have assessed your rate to be.

If, after the assessment, we think that you do not need a place in a care home, you can still choose to move into a care home, but you will not be entitled to funding from us. This means you will have to pay the full cost of your care and accommodation.

If your needs change while you are in the Care Home, you can ask for a reassessment of your needs at any time through Social Care Direct by telephoning 0131 200 2324.



Who needs to pay?

Everyone pays a contribution towards their care and accommodation.

When you are choosing a care home it is important to know that care home costs can vary widely. Care home fees range from:

- £755.00 to £2,900 a week
- £39,260 to £150,800 a year
- £117,780 to £452,400 for three years.

You should check the cost of the care home and any funding conditions they have, before accepting a place to make sure that you can afford to reside there.

Your contribution will be based on your income and on any savings and investments you have. To find out how much you will need to pay please turn to the page which applies to you:

- if you have savings and investments of less than £36,750 and do not own property, please go to page 4
- if you have savings and investments of less than £36,750 and own property, please go to page 13
- if you have savings and investments of more than £36,750, please turn to page 21



I have savings and investments of less than £36,750 and do not own property. What will I pay?

You may be entitled to local authority funding

We have standard rates that we will pay to care home providers to cover their fees. If you have savings and investments of less than £36,750 and do not own property you can choose a care home from a list of the providers who accept our standard rates as long as they have a place for you.

We will pay the care home our standard rate including any Free Personal Care or Free Personal and Nursing Care payments. You will pay an assessed contribution based on your income and savings. How we work out your contribution is explained later in this section.

You can choose a more expensive care home than one on the list if you want but you will need someone other than yourself who is willing to pay the extra costs. The extra costs are called third party top-ups and the person paying the extra costs will need to sign a written agreement with the care home agreeing to pay those extra costs for the duration of your stay in the care home.

Our application process is now online. So we can calculate your contribution towards your care we will ask you to fill in an online Financial Assessment form. You can ask someone else to fill in the form but you or your Attorney or Financial Representative will need to confirm the information is accurate.

You will need to provide us with a photocopy of the following:

- bank and/or building society statements
- Department for Work and Pensions letter
- War Pension letter, detailing war pension breakdown (if applicable)
- evidence of any investments and the terms and conditions of any trusts
- documents about any power of attorney or financial guardian

We may require you to provide further information.



You should contact us if you have any difficulty with the form as we can help. You can find our contact details at the end of this booklet.

If you decide not to fill in the form you will be charged the full cost of your care less any Free Personal Care or Free Personal and Nursing Care payments.

We will ask you to sign a written agreement which shows the cost of the care home and the amount you have been assessed to contribute.

Outgoings

As part of our Financial Assessment process most of your income will go towards paying for your care, therefore you should review any outgoings you have to ensure that you are able to pay your assessed contribution towards your care home fees.

This means you will need to consider your current outgoings such as Direct Debits for rent, council tax and TV/phone packages etc, as many of these may need to be cancelled or have a period of notice given as soon as your care home move has been confirmed.

You will be able to keep a specified amount for personal expenses. This is called the personal allowance. This allowance is to cover any day-to-day personal expenses, such as cigarettes, clothing, newspapers etc. as all other costs regarding food, gas and electricity will be met by the care home.

If you have an outstanding debt from living in the community, such as a store card or loan, you may need to contact the creditor and reduce your debt repayments to a manageable amount as these repayments will need to come from your personal allowance.

The council cannot support repayment of these debts by offering a disregard of your income in your Financial Assessment.



How we calculate your contribution

We assess you on an individual basis.

We include income from:

- State Pension, Pension Credit (Guaranteed and Savings) and any other benefits you receive
- Occupational Pensions, personal pension and Widows/Widowers Pensions
- Attendance Allowance and Personal Independent Payment/Disability Living Allowance (care component) for the first four weeks of your stay in the care home as these benefits stop after four weeks
- any other income

Department for Work and Pensions information

It is your responsibility or that of your financial representative to contact the Department for Work and Pensions directly to advise them of a move to a care home, seek advice regarding eligibility for the benefits you are currently receiving or apply for additional benefits you are entitled to. If you have a spouse/partner remaining at home they should also contact the Department for Work and Pensions to discuss eligibility of benefits in their own right. Their telephone number is 0800 731 0469.

We assess you based on you receiving the appropriate benefits which may include Pension Credit. If you are not receiving the benefits included in your assessment it is your responsibility to make a claim for the benefit. We will not refund you if you fail to claim.

The Council is unable to advise the Department for Work and Pensions on your behalf.



We do not include:

- half of your occupational or personal pension if your spouse/partner continues to live at home (but you must ask us to do this in writing or tick the relevant box in section C of the Financial Data Collection form). Please note, this does not apply to your state pension.
- your husband, wife or partner's pension.
- the mobility component of Personal Independent Payment/Disability Living Allowance.
- up to £8.95 if your weekly income is more than £282.89 a week or if you receive Pension Savings Credit. We will add this to your weekly personal allowances.
- up to a maximum of £5.00 for life assurance.
- War Pension is fully disregarded.
- Civilian War Injury Pension - £10 disregard.
- a personal allowance of £37.65 per week.

War pensions

We may be able to ignore more than £10.00 of your Civilian War Injury Pension from the assessment. If you receive this pension, please send us a photocopy of the pension entitlement document.

Occupational or Personal Pension Disregard

If you are married or have a partner and they are remaining at home, you can ask us to disregard 50% of your occupational or personal pension as being paid to your spouse/partner. This may affect your spouse/partner's eligibility for certain Department for Work and Pensions benefits in their own right. Your spouse/partner can contact the Department for Work and Pensions on 0800 731 0469 to discuss this. We cannot advise whether or not you should give 50% of your occupational or personal pension to your spouse/partner or how this is managed.



We include savings and investments from:

- money in bank, building society, Post Office and savings accounts
- half of any jointly held accounts. If the joint account is with someone other than your spouse or partner, that person will need to show that they have paid money into the account
- premium bonds (at purchase price)
- shares (at the current market rate)
- National Savings Certificates
- any other savings and investments

We may include:

- savings or income bonds (full details will need to be provided)
- money held in trust (we will need to see a copy of the trust deed)

Investments

We may be able to ignore your investment capital in the assessment provided that you can prove that the investment includes an element of life insurance. If you have such a product, please send us a photocopy of the policy documents showing that life insurance is included.

You should clarify this with us as soon as possible, as inclusion/exclusion of this product in our assessment may affect the funding status and/or care home choice.

We will check the date the investment was bought and only disregard this if it is not seen as deprivation of capital.

The care fees should cover all your care needs, but you should check with the care home if you will have to pay any other charges such as outings, hairdressing and activities. The personal expenses allowance of £37.65 is set by the Scottish Government and cannot be increased to cover additional expenditure for example to buy cigarettes or alcohol.



We may need to reassess the level of client contribution payable, in light of additional information. For example, if you find that the amount of funds held in a bank account is greater (or less) than you initially believed. This reassessment may be backdated to date of admission to the care home.

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We will review your charges every year to include any increases in costs or any changes to your income or savings.

You can ask us to review your charges at any time.

Any periods you are not living in the home

You will continue to be charged for any periods you are not living in the care home. This includes any stays in a hospital.

Paying your bills

If you are a resident in a private care home, the care home will issue an invoice for the client contribution. They will talk you through the payment options including any third party contribution, if/where applicable. Our contribution will be paid directly to the care home.

If you are a resident in a City of Edinburgh Council care home, we will send you an invoice for your client contribution once the financial assessment is completed and you have received the outcome letter. We will also send you information on our invoicing process.



If you have savings and investments between £22,750 and £36,750

If you have savings and investments between £22,750 and £36,750 you will contribute all your weekly income except your personal allowance of £37.65 a week. You will also pay £1 a week extra for every £250 or part of £250 you have between £22,750 and £36,750. This is called Tariff Income. The amount you pay will reduce as your savings reduce provided your savings are spent on acceptable expenditure. For information on expenditure that we do not accept to reduce your savings please see Depriving Yourself of Capital section on page 25. When your savings reach £22,750 you will no longer pay a weekly charge from your savings, but you will still pay a contribution from your income.

Example 1

George is over 65, has less than £22,750 in savings and has an income of £238.00 from his pension and Pension Credit. George will pay £200.35 per week towards his care home costs. definitely

Income	
State pension	£168.17
Pension Credit (Guaranteed)	£69.83
Total (A)	£238.00
Allowances	
Personal Allowance	£37.65
Total (B)	£37.65
George's contribution is (A-B)	£200.35



Example 2

Elizabeth is over 65 and has an income of £230.10 from her pension and Pension Credit. She has savings of £31,000. Elizabeth will pay £191.35 per week towards her care home costs.

Income	
State pension	£167.90
Pension Credit (Guaranteed)	£28.10
Pension Credit (Savings)	£1.10
Tariff Income from capital of £31,000 (£31,000-£22,750 = £8,250 divided by £250)	£33.00
Total (A)	£230.10
Allowances	
Personal Allowance	£37.65
Savings credit disregard	£1.10
Total (B)	£38.75
Elizabeth's contribution is (A-B)	£191.35



The care fees should cover all your care needs, but you should check with the care home if you will have to pay any other charges such as outings, hairdressing and activities. The personal expenses allowance of £37.65 is set by the Scottish Government and cannot be increased to cover additional expenditure for example to buy cigarettes or alcohol.

We may need to reassess the level of client contribution payable, in light of additional information. For example, if you find that the amount of funds held in a bank account is greater (or less) than you initially believed. This reassessment may be backdated to date of admission to the care home.

We will review your charges every year to include any increases in costs or any changes to your income or savings.

You can ask us to review your charges at any time.



I have savings and investments of less than £36,750 and own property. What will I pay?

If the value of your savings and investments is less than £36,750, and you own a property, you will be responsible for the full cost of your care home fees less any entitlement to Free Personal Care or Free Personal Nursing Care payments because your property is capital you own.

This section explains the funding options available to you whilst you access your capital.

Investments

We may be able to ignore your investment capital in the assessment if you can prove that the investment includes an element of life insurance. Please send us a photocopy of the policy documents showing that life insurance is included.

You should clarify this with us as soon as possible, as inclusion/exclusion of this product in our assessment may affect the funding status and/or care home choice. We will check the date the investment was bought and only disregard this if it is not seen as deprivation of capital.

Any property, land and buildings you own are types of capital and their value is included with your savings and investments when we work out your contribution. If you own a part share in a property, only the value of your share is included when we work out your contribution. In some circumstances part shares of property may not be included as capital.

We may decide not to include the value of your home if there is someone still living in your home.

This could include:

- your husband, wife or partner
- a relative over 60
- a relative under 16 who you support financially
- a relative who is disabled
- a divorced or estranged partner who is a single parent with a dependent child



- the person who looked after you before you moved into the care home if they had given up their own home to move in and care for you.

Please note we may request evidence of the above including how long someone has been living in your home.

If we have disregarded your property or your share in a property, you must advise us if you are planning to sell the property or change the title.

We would expect you to receive your share of the net proceeds from the property sale and therefore a financial reassessment may be required.

We would expect that if your property is sold and another property is purchased, you would still own the same share, and any residual funds will be split accordingly.

If property maintenance/renovation is unmanageable it is your responsibility to consider other options e.g. sell the property. We cannot subsidise the maintenance or renovation of the property.

You can choose which care home you want to move to as long as they have a place for you:

- you should check the cost of the care home before accepting a place to ensure that you can afford to move there
- you will need to work out how long you will be able to afford to stay in the home
- some homes need you to prove that you have enough money to cover the care fees for three to five years
- the fees you pay are more expensive than the standard rate that we pay.

Private care homes

The care home may ask you to sign a contract agreeing to their terms and conditions and we would advise you that this agreement is solely between you and the care home, the City of Edinburgh Council is in no way party to this agreement.



12-Week Funding

If you have savings and investments of less than £36,750 and own a property, you may be entitled to 12-week funding.

You can choose a care home from a list of providers who accept the standard rates that we pay, as long as they have a place for you. You can choose a more expensive care home if you wish but you will need to make your own arrangements with the care home to meet the extra costs.

For the first 12 weeks of your stay, we will pay the care home up to our standard rate including any Free Personal Care or Free Personal and Nursing Care payments, and you will pay an assessed client contribution based on your income and savings, excluding the value of your home.

12-week funding is subject to a financial assessment, and we can only pay up to the local authority standard rate less a client contribution. 12-week funding is only available for the first 12 weeks of your stay.

So that we can calculate your contribution towards your care we will ask you to fill in a financial data collection form. You can ask someone else to fill in the form but you or your Attorney or Financial Guardian will need to sign it to confirm the information is accurate. You will need to provide us with copies of:

- bank and/or building society statements for the last six months
- Department for Work and Pensions letter
- War Pension letter, detailing war pension breakdown (if applicable)
- evidence of any investments and the terms and conditions of any trusts
- documents about any power of attorney or financial guardian.

You should contact us if you have any difficulty with the form as we can help you to complete it. Our contact details can be found at the end of this booklet.

If you decide not to fill in the form you will be self-funding and charged the full cost of your care less any Free Personal Care or Free Personal and Nursing Care payments.



We will ask you to sign a written agreement which shows the cost of the care home and your assessed contribution.

You may be entitled to Free Personal Care (worth £260.30 per week) or Free Personal and Nursing Care (worth £377.40 per week) if you are entitled to both. The Council will pay these amounts to the care home and not directly to you.

You will not be entitled to Free Personal Care or Free Personal and Nursing Care payments if we have not assessed you or if we assess that you are not eligible. Payments of Free Personal Care or Free Personal and Nursing Care only begin from the date of assessment or date of admission to the care home, whichever is later.

If you sell your home within the 12-week funding period, you will be responsible for the full cost of your care, less any Free Personal Care or Free Personal and Nursing Care payments, from the date of the sale.

You will be self-funding and responsible for the full cost of your care, less any Free Personal Care or Free Personal and Nursing Care payments from week 13, whether or not your home has been sold.

When the total value of your savings and investments is approaching £60,000 you must ask us for a financial review. This is known as a New Threshold.

- you can request a review by emailing hsc.financialassessment@edinburgh.gov.uk or by phoning 0131 529 5900 (option 1)
- we are required to give the care provider four weeks' notice of a change in funding
- during the financial review we will ask you for evidence of all the capital you held at the date of your admission to care, all the income you have received since being in care and all the care fees paid. We will also ask for details of personal expenditure
- if we are satisfied that you have spent your income (excluding mobility benefits) and capital on care home fees and up to £5,000 a year on personal expenditure then we will help you with your care home fees



- from the date we calculate that you are eligible for help, you will pay an assessed contribution based on your income and savings and we will pay the balance of the fees up to our standard rate
- if you are in a more expensive home that does not accept our standard rates then you will need someone who is willing and able to pay the extra costs for as long as you stay there, or in some circumstances, you may have to move to a different home
- if we are not satisfied that you have used your income and capital on care home fees we will investigate further
- we will accept that half of your occupational or personal pension is given to your husband, wife or partner if they continue to live at home. Please note, this does not apply to your state pension
- if you own a property, you will not be eligible for help unless we disregard the property from the financial assessment. Please contact us to discuss this or see pages 19 and 20 of this booklet for Interim or Deferred Payment Agreement funding options.

Outgoings

You should review any outgoings you have to ensure that you are able to pay your care home fees.

This means you will need to consider your current outgoings such as Direct Debits for rent, council tax and TV/phone packages etc. as many of these may need to be cancelled or have a period of notice given as soon as your care home move has been confirmed.

If you have an outstanding debt from living in the community, such as a store card or loan, you may need to contact the creditor and reduce your debt repayments to a manageable amount.

Paying your bills

If you are a resident in a private care home, they will talk you through their payment options including any third party contribution, if/where applicable. We will pay any Free Personal Care or Free Personal and Nursing Care payments you are entitled to directly to the care home.

If you are a resident in a City of Edinburgh Council care home, we will send you an invoice for the care home cost less any Free Personal Care



or Free Personal and Nursing Care payments you are entitled to. We will also send you information on our invoicing process.

The care fees should cover all your care needs, but you should check with the care home if you have to pay any other charges such as outings, hairdressing and activities.

Any periods you are not living in the care home

You will continue to be charged for any periods you are not living in the care home. This includes any stays in a hospital.

Your Free Personal Care or Free Personal and Nursing Care payments stop after 14 days, and you will be expected to pay the full costs. Payments will start again when you return to the care home.

Please discuss with the care home and come to an agreement on a permanent discharge date as the care home may charge a notice period.

Department for Work and Pensions information

It is your responsibility or that of your financial representative to contact the Department for Work and Pensions directly to advise them of a move to a care home, seek advice regarding eligibility for the benefits you are currently receiving or apply for additional benefits you are entitled to. If you have a spouse/partner remaining at home, they should also contact the Department for Work and Pensions to discuss eligibility of benefits in their own right. Their telephone number is 0800 731 0469

The Council is unable to advise the Department for Work and Pensions or make a claim on your behalf.



Interim Funding

Definition

Interim Funding is a short-term loan from the Council to fund part of your care costs until your property is sold.

You can apply for Interim Funding of your care home fees when your capital (excluding the value of your home) falls below £8,000 and any 12-week funding has ended.

You are not automatically entitled to Interim Funding. To be considered for this you must make an application to us in writing. Your property must be on the market for sale, you must be the legal owner of the property, and the Council must be satisfied that the property is suitable for lending purposes.

You will need to provide us with a copy of the Home Report. We will place a Charging Order on the property as security for the loan and you will be responsible for the legal costs associated with this (around £600).

During Interim Funding, you will pay an assessed contribution towards your care based on your income and savings. The Council will pay the balance of the fees up to our standard rate. If the care home charges more than our standard rate you will have to make your own arrangement with the care home to meet the extra costs.

You must supply financial information to allow a financial assessment to be completed.

The Interim Funding loan will be repaid from the sale of your property or from your Estate.



Deferred Payment Agreement

Definition

A Deferred Payment Agreement is a loan from the Council to fund part of your care costs.

You can apply for a Deferred Payment Agreement when your capital (excluding the value of your home) is below £22,000 and any 12-week funding has ended. This type of loan is usually requested if you do not wish to sell your property immediately.

You are not automatically entitled to a Deferred Payment Agreement. To be considered for this you must make an application to us in writing. You must be the legal owner of the property, and the Council must be satisfied that the property is suitable for lending purposes.

You will need to provide us with confirmation of the valuation of the property. We will place a Charging Order on the property as security for the loan and you will be responsible for the legal costs associated with this (around £600).

During the Deferred Payment term, you will pay an assessed contribution towards your care based on your income and savings. The Council will pay the balance of the fees up to our standard rate. If the care home charges more than our standard rate you will have to make your own arrangement with the care home to meet the extra costs.

You must supply financial information to allow a financial assessment to be completed.

The Deferred Payment loan will be repaid from the sale of your property or from your Estate.

We would recommend you to advise the private care home that you are applying for Interim Funding or a Deferred Payment. You should also discuss with the private care home regarding deferring the difference between your agreed rate and our standard rate if applicable.



I have savings and investments of more than £35,500. What will I pay?

You will be self-funding

If the total value of your savings, investments and property exceeds £36,750 you will be responsible for the full cost of your care home fees less any entitlement to Free Personal Care or Free Personal and Nursing Care payments.

You may be entitled to Free Personal Care (worth £260.30 per week) or Free Personal and Nursing Care (worth £377.40 per week) if you are entitled to both. The Council will pay these amounts to the care home and not directly to you.

You will not be entitled to Free Personal Care or Free Personal and Nursing Care payments if we have not assessed you or if we assess that you are not eligible. Payments of Free Personal Care or Free Personal and Nursing Care payments only begin the date of assessment or date of admission to the care home, whichever is later.

Investments

We may be able to ignore your investment capital in the assessment if you can prove that the investment includes an element of life insurance. Please send us a photocopy of the policy documents showing that life insurance is included. You should clarify this with us as soon as possible, as inclusion/exclusion of this product in our assessment may affect the funding status and/or care home choice. We will check the date the investment was bought and only disregard this if it is not seen as deprivation of capital.

You can choose which care home you want to go to as long as they have a place for you:

- you should check the cost of the care home before accepting a place to ensure that you can afford to move there
- you will need to work out how long you will be able to afford to stay in the home



- some homes need you to prove that you have enough money to cover the care fees for three to five years
- the fees you pay are more expensive than the standard rate that we pay
- the care home will ask you to sign a written agreement agreeing to pay the fees
- we will pay any Free Personal Care or Free Personal and Nursing Care payments to the care home.
- **When the total value of your savings and investments is approaching £60,000 you must ask us for a financial review. This is known as a New Threshold.**
- you can request a review by emailing hsc.financialassessment@edinburgh.gov.uk or by phoning 0131 529 5900 (option 1)
- many private Care Homes require 4 four weeks' notice of a change in funding. Therefore, when you apply to us for a New Threshold reassessment, you should also advise the Care Home that you are applying for a New Threshold reassessment
- we are required to give the care provider four weeks' notice of a change in funding
- during the financial review we will ask you for evidence of all the capital you held at the date of your admission to care, all the income (excluding mobility benefits) you have received since being in care and all the care fees paid. We will also ask for details of personal expenditure
- if we are satisfied that you have spent your income and capital on care home fees and up to £5,000 a year on personal expenditure then we will help you with your care home fees
- from the date we calculate that you are eligible for help, you will pay an assessed contribution based on your income and savings and we will pay the balance of the fees up to our standard rate
- if you own a property, you will not be eligible for help unless we disregard the property from the financial assessment. Please contact us to discuss this or see pages 19 and 20 of this booklet for Interim Funding or Deferred Payment Agreement funding options



- if you are in a more expensive home that does not accept our standard rates then you will need someone who is willing and able to pay the extra costs for as long as you stay there, or in some circumstances, you may have to move to a different home
- if we are not satisfied that you have used your income and capital on care home fees we will investigate further.
- we will accept that half of your occupational or personal pension is given to your husband, wife or partner if they continue to live at home. Please note, this does not apply to your state pension.

Paying your bills

If you are a resident in a private care home, they will talk you through their payment options including any third party contribution, if/where applicable. We will pay any Free Personal Care or Free Personal and Nursing Care payments you are entitled to directly to the care home.

If you are a resident in a City of Edinburgh Council care home, we will send you an invoice for the care home cost less any Free Personal Care or Free Personal and Nursing Care payments you are entitled to. We will also send you information on our invoicing process.

The care fees should cover all your care needs, but you should check with the care home if you have to pay any other charges such as outings, hairdressing and activities.

Any periods you are not living in the care home

You will continue to be charged for any periods you are not living in the care home. This includes any stays in a hospital.

Your Free Personal Care or Free Personal and Nursing Care payments stop after 14 days, and you will be expected to pay the full costs. Payments will start again when you return to the care home.

Please discuss with the care home and come to an agreement on a permanent discharge date as the care home may charge a notice period.



Outgoings

You should review any outgoings you have to ensure that you are able to pay your care home fees.

This means you will need to consider your current outgoings such as Direct Debits for rent, council tax and TV/phone packages etc. as many of these may need to be cancelled or have a period of notice given as soon as your care home move has been confirmed.

If you have an outstanding debt from living in the community, such as a store card or loan, you may need to contact the creditor and reduce your debt repayments to a manageable amount.

Department for Work and Pensions information

It is your responsibility or that of your financial representative to contact the Department for Work and Pensions directly to advise them of a move to a care home, seek advice regarding eligibility for the benefits you are currently receiving or apply for additional benefits you are entitled to. If you have a spouse/partner remaining at home, they should also contact the Department for Work and Pensions to discuss eligibility of benefits in their own right. Their telephone number is 0800 731 0469.

The Council is unable to advise the Department for Work and Pensions or make a claim on your behalf.



Depriving yourself of capital

It is common to want to pass on savings and other capital such as your home to your children or others. However, before deciding to transfer your home or capital you should consider the following points:

- if you have moved an asset or capital out of your name it does not necessarily mean that you will receive financial help from us. When deciding if you are entitled to financial help, we will ask you if you have ever owned property. We do checks on transfers, and we will regard a transfer of capital as deliberate if you have transferred it to someone else so that you are more likely to qualify for financial help
- if we find that you have deliberately deprived yourself of capital to avoid paying care home fees (including to reduce Tariff Income) we will assess you as if you still own it; we call this 'notional capital'. We will include the value of this capital when we work out your contribution and we will not fund your care costs until your notional capital plus your actual capital falls below £35,500
- there are no time limits on how far we can go back when considering if you have deliberately deprived yourself of capital. However, we usually consider transfers that have taken place up to seven years before you move to a care home
- if you gave away capital within six months of you needing residential care or whilst you were in care, we can ask the people who received it to pay for your care

We will also look for other ways you might have deliberately deprived yourself of capital, such as:

- a lump-sum payment has been made to someone else (for example, as a gift or to repay a debt for someone else)
- a lot of money has been spent on something (for example on an expensive holiday)
- money has been spent on third party top-up care home costs
- the title deeds of a property have been transferred to someone else
- money has been put into a trust which cannot be revoked



- money has been changed into another form that we would normally disregard (for example, personal possessions)
- capital has been reduced by living extravagantly (for example, following a much higher standard of living than you could normally afford)
- capital has been used to buy an investment bond with life insurance.

How do we decide?

We consider each case individually and on its own merit. There may be a number of reasons why you transferred capital assets, and we will consider each of them.

We will decide if paying care fees was a significant factor in your decision to transfer capital and if it was your intention to **deliberately** deprive yourself of the capital to get help with care fees.

We will also consider the **timing** of any transfers of capital and the circumstances leading up to the transfer. Our decision will be based on the available evidence including:

- how healthy you were at the time of the transfer and any medical evidence?
- was the need for care or the move to a care home foreseeable at the time of the transfer of the capital?
- what explanation you can give for the transfer of the capital other than to intentionally deprive yourself of available capital to pay for care. If you gift capital to a family member or a long-term carer then we look for the reasons behind the gift.

As we treat each case individually, we cannot make a statement about what you can spend your capital on before you can receive assistance with care fees. However, we will make every effort to be reasonable.



Example

In 2019, Jim's wife dies, and she was his main carer. Jim decides to sell the family home. He sells the property for £225,000 and moves to rented sheltered housing. He decides to give each of his two children £100,000 and keeps £25,000, taking his capital in the bank to £30,000 after he has paid for the move.

In 2020, Jim's health significantly deteriorates, and he needs to move to a care home. At the time of the move Jim has £20,000 capital in the bank and his son has requested that we fund his care place.

Before we will fund his care, we look back at the property sale and his bank account. Our starting position is the £230,000 he had in 2019 including the £200,000 he gifted to his children and the £30,000 capital he had in the bank.

We do checks on the sale of the family home and in Jim's case we decide that the transfer of the £200,000 to his children was done with the deliberate intention of avoiding future care home fees and so we include the £200,000 in how we work his charges.

We conclude that Jim has £200,000 notional capital and £20,000 actual capital and we tell Jim that we will not fund his care fees.

The options for Jim are:

- Jim's choice of care home is restricted to one that accepts our standard rates, and his personal allowance is restricted to £37.65 per week
- Jim is still eligible for Free Personal Care or Free Personal and Nursing Care payments
- Jim will be responsible for the standard care fees less any Free Personal Care or Free Personal and Nursing Care payments
- we will ask to meet with Jim's son who requested that we fund the placement to agree the payment arrangements
- we will not fund Jim's care costs until such time as the care fees Jim pays reduce his capital (notional plus actual) to under £36,750



If you disagree with us

You can challenge our assessment or our decision not to fund care home fees due to deliberate deprivation of capital by contacting us.

We will make every effort to communicate with you and we will meet with you to explain our decisions. You have the right to ask for meetings with us at any stage in this process and we will make every attempt to resolve your complaint.

You also have the right to ask for a meeting with a more senior manager.

If your complaint remains unresolved you can make a formal complaint to our complaints department, which we must investigate and respond within 20 working days.

You can get information about making a complaint on the Council website www.edinburgh.gov.uk/socialworkadviceandcomplaints or email socialwork.complaints@edinburgh.gov.uk or call 0131 553 8395.

While your complaint is being investigated, we will charge you based on your income and your capital excluding any capital transfers that are under challenge. However, if your complaint is not upheld or supported then we will charge you based on your income and capital including capital transfers from the date you requested funding.

If you are not satisfied with the outcome of the complaint procedure, you can then raise your complaint with the Scottish Public Services Ombudsman.

If you think that a decision was made without properly following the law, you can apply to the courts for a judicial review using the help of a solicitor.



Seeking independent advice

Deliberately depriving yourself of assets can have other consequences beyond care home fees. Many older people never need to go to a care home and if you have given away the majority of your assets you may struggle financially in the future. Once an asset has been transferred, the new owner has complete control over it.

Giving away your home could cause other problems too. For example, if you gave your home to your children and carried on living there, and they were declared bankrupt or divorced, they might have to sell the property, potentially making you homeless.

If you are thinking of giving away your assets for any reason you should always seek independent legal advice.



Acting on someone's behalf

If you are over 18 and there is no power of attorney and you want to help someone to manage their money there are options open to you. It is important that these arrangements are put in place as soon as possible to prevent the person moving into the care home building up a debt.

The options:

- you can apply to the Department for Work and Pensions to become an appointee. Benefits including the state retirement pension can be paid into an account you choose, and you will become responsible for paying the care home bills and making sure the personal allowance is paid to the resident. Their telephone number is 0800 731 0469. We can cancel any appointees and access to funds arrangements if it can be shown that the money is not being used to pay care home fees
- if the resident is in a Council care home and is only receiving state benefits we can apply to the Department for Work and Pensions to have those benefits paid directly to the care home. We will make sure that the bills are paid and that the resident is given their personal allowance
- we can apply to become corporate appointee or apply for access to funds if we cannot identify anyone willing to manage the resident's finances.
- you can apply to the Office of the Public Guardian (Scotland) for access to funds if the person in the care home is unable to manage their money and has savings or income such as a private pension
- you can apply to the Office of the Public Guardian (Scotland) for a Guardianship order which authorises a person to take action or make decisions on behalf of an adult with incapacity in relation to either their finances, welfare or both

You must advise us if you are applying for power of attorney or financial guardianship on behalf of someone and keep us updated on the progress. You can get further information from the Office of the Public Guardian (Scotland) through their website www.publicguardian-scotland.gov.uk or by phoning 01324 678300.



Contact us

Web: www.edinburgh.gov.uk/carehomecosts

Email: hsc.financialassessment@edinburgh.gov.uk

Phone: 0131 529 5900 (option 1)

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Please ensure you provide us with accurate, up to date financial information and inform us of any changes to your circumstances.

We may confirm financial information from other departments within the Council.

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