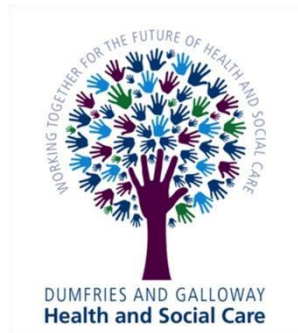


# Paying for a care home



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## Introduction

This leaflet provides information for you about paying for a care home placement. Throughout the leaflet the term 'we' or 'us' refers to Dumfries and Galloway Council staff members.

This information is for general guidance only and each case will be financially assessed on an individual basis taking your financial/personal circumstances into account following the Scottish Government's 'Charging for Residential Accommodation Guidance' (CRAG).

## Who needs to pay?

### Care home fees

The National Care Home Contract (NCHC) sets the standard rates for residential and nursing care in Scotland.

### Residential Care Fees

For the year 2026/2027, the standard rate for residential care is **£930.45 per week**.

### Nursing Care Fees

For the year 2026/2027, the standard rate for nursing care is set at **£1074.13 per week**. This rate includes additional costs for nursing services, ensuring that residents receive the necessary medical care and support.

Some care home charges, including private placements are higher than those agreed as part of the National Care Home Contract.

### Your contribution

We will need to have your support needs assessed. If it is decided that you need to live in a care home, we will also assess your finances to work out how much you will have to pay unless you contract privately with the care home.

The limits and allowances that impact on your financial assessment change annually and are influenced by annual benefits set by the Department of Work and Pensions (DWP) and by limits set out in the Charging for Residential Accommodation Guidance (CRAG).

- If you have savings or investments of more than the upper capital limit you will pay the care home fees less any free personal or nursing care payments. The value of your home or any property that you own may be included in your savings and investments
- If you have savings or investments of less than the upper capital limit we will pay the care home fees including any free Personal or Nursing Care payments. You will then pay an assessed contribution.

## Free Personal and Nursing Care

We will also assess you for Free Personal Care or Nursing Care.

Free Personal and Nursing Care (FPNC) was introduced by the Scottish Government in 2002 to people aged 65 and over. In April 2019, Frank's law extended the provision of FPNC payments to all adults. You will be entitled to Free Personal Care irrespective of your age. You will be entitled to Free Nursing Care if you are living in a care home which provides Nursing or Specialist Dementia (EMI) care.

**You will not be entitled to Free Personal or Nursing Care if we have not assessed you or if we assess that you are not eligible, therefore you will be liable to pay all the care home fees.**

### If you have more than the upper capital limit

You can choose which care home you want to go to as long as it meets your support needs, the care home has carried out its own assessment and is willing to offer you a placement and there is a vacancy for you.

- It is your responsibility to check with the provider of the care home the weekly total cost.
- You will need to work out how long you will be able to afford to stay at the care home. The care home will discuss this with you.
- Some care homes may need you to prove that you have enough money to cover payments for three to five years.
- The fees you pay may be more expensive than the standard rates that we pay. The standard rate is based upon the fee rates specified in the current edition of the National care home Contract.
- When your money reduces to less than the upper capital limit you must ask for a review and you may have to reconsider your options. See Page 10.
- The care home will ask you to sign a written agreement agreeing to pay the fees. This is usually part of the Placement Contract/Residency Agreement.
- We will pay any Free Personal or Nursing Care contributions to the care home.

## If you have less than the upper capital limit

You can choose a care home from a list of providers who accept the standard rate that we pay as long as it meets your support needs, the care home has carried out its own assessment and is willing to offer you a placement, and there is a vacancy for you.

**We might request you to complete a Financial Assessment Form or contact you for additional details to conduct an assessment. Since we already have access to information about state benefit awards and occupational/private pension payments, you may need to provide copies of bank and building society statements. If there are unexplained reductions in your savings and investments, we can investigate further.**

If you are going into a care home permanently, as part of the financial assessment we will ask you if you own (or have ever owned) the house you live in or recently lived in. If you previously owned a house but no longer do so, we will consider why your circumstances have changed and whether the property was transferred solely or partially to avoid paying for care-home fees.

We will pay the care home a standard fee including any free Personal or Nursing Care contributions. You will then pay us an assessed contribution which depends on your income and savings.

You will need to sign the care home's Placement Contract/Residency Agreement.

You can choose a more expensive care home if you want but you will need someone other than yourself who is willing to pay the extra costs. You and the person who has agreed to pay the extra costs will need to discuss this with us before you go into a care home

## How we will work out your charge

You may have to use most of your income, including your Pension Credit if you receive it, as a contribution towards your fees. You will be able to keep a personal allowance to cover your day-to-day costs.

### Filling in the Financial Assessment Form if required

We may ask you to complete a Financial Assessment form in exceptional circumstances.

If you decide not to fill in the form you will be charged the full costs of the care home less any Free Personal or Nursing Care payments. You or your Power of Attorney should fill in this form and return it to the Financial Inclusion and Welfare Support Team (FIWS). You can ask someone else to fill in the form but you or your Power of Attorney will need to sign the form to confirm the information is accurate.

#### **Financial Inclusion and Welfare Support Team (FIWS)**

Tel: 0303 333 3008 Email: [fateam@dumgal.gov.uk](mailto:fateam@dumgal.gov.uk)

Address: Financial Inclusion and Welfare Support Team, Enabling & Customer Services, Financial Assessment Team, PO Box 9089, Dumfries, DG1 9EB

You may need to send us copies of:

- Bank and building society or savings account statements or passbooks covering the last 3 months
- Copies of any Trust Deeds
- Documents about any Power of Attorney or Financial Guardian.

You should contact FIWS if you have any difficulties with the form.

### Your Income

We assess you on an individual basis.

Income from all sources will be considered in the calculation, although there will be certain income which is disregarded in accordance with the national guidance. (CRAG)

Your income includes any company, personal and state pensions and any benefits such as Pension Credit, Income Support, Employment and Support Allowance or Universal Credit. Attendance Allowance, Disability Living Allowances Adult Disability Payments and Personal Independence Payments (PIPs) are not included in the assessment as the care or daily living components will stop after 28 days of moving into a care home or earlier if you have been in hospital. The mobility components should remain in payment.

N.B. We will assess you based on you receiving the appropriate benefits, which will include Pension Credit. If you do not receive this benefit, you need to apply to The Department for Work and Pensions.

## Help with Benefits

We will be able to help you with benefits that you may be entitled to and, if necessary, help you fill in the application forms. If you need help contact the Financial Inclusion & Welfare Support Team (FIWS).

## Your Savings and Investments

We include;

- Money in bank, building society and savings accounts.
- Half of any money in bank, building society and savings accounts held in joint names. If the account is with the name of someone other than your husband, wife or partner, that person will need to show that they have paid money into the account.
- Premium Bonds (at purchase price).
- Shares, worked out at market value.
- National Savings Certificates.
- Income from an annuity.
- Any other savings or investments.

We may include:

- Savings or Bonds – full details will need to be provided.
- Bonds with an element of life assurance attached will be disregarded •
- Trusts – we need a copy of the trust document.

## If you disagree with us

You should contact us if you are not satisfied with how we have worked out your charge.

## Your charges

The fees should cover all of your care needs, but you should check with the care home if you have to pay any other charges or optional costs which might include services such as transport, hairdressing or the purchase of items like newspapers or confectionery.

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

You can ask us to review your charges at any time if your financial circumstances change

## Reviewing your charges if your capital no longer exceeds the upper limit

- You can request a review by contacting FIWS, contact details at the end of this document.
- We are required to give the care home four weeks' notice of a change in funding.
- We may ask you to fill in a new Financial Assessment form showing your current savings and investments or we may just ask you for copies of bank and building society statements. If we are satisfied that you have not spent the money inappropriately then we will help you with your care home fees.
- We will pay the care home fees and we will expect you to pay the assessed charge to us.
- If you are in a more expensive care home that does not accept our standard rates then, in some circumstances, you may need to move to a different home. Or, you will need someone who is willing to pay the extra costs.
- If we are not satisfied that you have used the money to pay care home fees we will investigate further.

## Any periods when you are not living in the care home

You will continue to be charged for any periods of time that you are not living in the care home for a period of up to six weeks. This includes staying in hospital. Your Free Personal Nursing Payments stop after 14 days and you will then be expected to pay the full costs. Payments by us will start again when you return to the care home.

## Your home

We may include the value of your home with your savings and investments in how we work out your charges.

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 years old.
- A relative under 16 years old who you support financially.
- A relative who is disabled.

The meaning of a relative is defined in CRAG

- A divorced or estranged partner who is a single parent with a dependent child.
- Any person who gave up their home and looked after you before you moved into the care home. You will need to discuss this with a member of the FIWS team.

There are a number of options for paying care home fees which an Independent Financial Adviser could discuss with you.

These include:

- Keeping your house and paying your care home fees from your income, savings and investments.
- Renting your house to produce an income to cover the fees.
- It is particularly important that you get advice about any property that you own in joint names with someone other than your husband, wife or partner. It can also be very complicated if you have sold a house and then spent money on a family member's home for you to live in.
- You should also make sure that your financial affairs are in order and you have made a will if you have not already done so.

Under certain circumstances you can keep your home and delay making the care home fee – this is called a '**Deferred Payment Scheme**'

We pay your care costs less your assessed contribution and we reclaim these costs when you sell your house or from your estate after your death. To qualify for the Deferred Payment Scheme

- You must have less than the lower capital limit in savings and investments which could include disregarded bonds but not including the value of your home.
- There must be sufficient equity in your home, equivalent to approximately 2 years funding for a residential home and 18 months for a nursing home placement, allowing for increases in the fees.
- The Council may not agree to a deferred payment if the placement you have chosen is more than the standard rate.
- You would be advised to seek independent financial advice

## Selling your home

If you need to sell your home and have less than the upper capital limit to pay your charges, we will pay the first 12 weeks of your care home fees based on the standard rate less your financially assessed contribution (this is called the '12 weeks property disregard')

- You can choose from a list of care homes who accept the standard rate payment. We will pay the standard rate less any Free Personal or Nursing Care payments and you will pay an assessed contribution which does not include the value of your home but includes your weekly income.
- The disregard will cease to apply from the date of the sale, if the sale occurs within the 12-week period.
- At the end of the 12 weeks, we will charge the full costs less any Free Personal or Nursing Care payment.
- You can choose a more expensive care home, but you will need to make your own arrangements with the care home to meet the extra costs.

If your home is jointly owned, we will include half the value of the sale proceeds after secured debts and charges are paid. You can also apply to the Deferred Payment Scheme if your house remains unsold after 12 weeks, provided you meet the qualifying criteria mentioned above.

## Paying your bills

Every 28 days we will pay the care home all fees due to them less any extra payments made by you or someone else to the care home.

We will invoice you monthly in arrears for your assessed contribution to care which we have paid to the care home. This can be paid by you or your representative to the Council by a range of methods – direct debit, by credit or debit card or in cash at Paypoint Outlets or the Post Office.

## Power of attorney

You can appoint a power of attorney to look after your health and personal welfare issues and/or to deal with your financial and property affairs

If you appoint a power of attorney to act on your behalf to manage your money the attorney is granted the legal authority to deal with third parties such as banks or the local council.

In order to make a power of attorney, you must be capable of making decisions for yourself. This is called having mental capacity.

The Office of the Public Guardian can provide more information about power of attorney.

### **Office of the Public Guardian**

Tel: 01324 678300

Web Address: [www.publicguardian-scotland.gov.uk](http://www.publicguardian-scotland.gov.uk)

Email: [publicguardian-scotland.gov.uk](mailto:publicguardian-scotland.gov.uk)

Address: The Office of the Public Guardian, Hadrian House, Callendar Business Park, Callendar Road, Falkirk, FK1 1XR

## Acting on someone's behalf

If you are over 18 years old and there is no power of attorney and you want to help someone moving into a care home manage their money there are options available 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. These options are:

- You can apply to the Department for Work and Pensions to become an appointee. Benefits can be paid into an account you choose and will make you responsible for paying your contribution to us and making sure the personal allowance is paid.
- You can apply to the Office of the Public Guardian for access to funds if the person living in the care home is unable to manage their money and has savings or income such as a private pension.
- We can apply to the Department for Work and Pensions or the Office of Public Guardian to 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.
- We can apply to become corporate appointee if we cannot identify anyone willing to manage the resident's finances. Savings, income and benefits can be paid directly to us on behalf of the resident. We will make sure that the resident receives a personal allowance.
- You can apply to the Office of the Public Guardian for a Guardianship Order which authorises a person to act or make decisions on behalf of an adult with incapacity

## Glossary

**Charging for Residential Accommodation Guidance (CRAG):** This Guidance is a Scottish Government document which sets out the legal framework for charging people in residential accommodation. The Guidance is updated annually.

**National care home Contract (NCHC):** This is a national contract agreed annually by COSLA, Scottish Care and the Coalition of Care and Support Providers in Scotland (CCPS). Locally, the contract is signed between each care home and Dumfries and Galloway Council. The contract assigns responsibilities and obligations to both parties and specifies the service that the care home is to provide for residents.

**Standard Rate:** This refers to the fees paid to care homes as specified in the National care home Contract. Some care homes charge higher fees than those quoted in the National care home Contract.

**Upper and Lower Capital Limits:** These limits refer to the amount of savings and investments (including any property that you may own) which are taken into account when charging for residential care. The limits change annually. The Upper Capital Limit refers to the amount of capital above which you will pay the care home fees less any free personal or nursing care payments. The Lower Capital Limit refers to the amount of capital below which you will no longer pay a weekly charge from your savings but you will still pay an assessed contribution from your income. If you have capital between the Upper and Lower Limits you will contribute all your weekly income except your personal allowance plus a sliding scale of contributions from your savings and investments.

## How to contact us

Dumfries and Galloway Council: Financial Inclusion and Welfare Support Team (FIWS)

Tel: 0303 333 3008

Email: [fateam@dumgal.gov.uk](mailto:fateam@dumgal.gov.uk)

Address: Financial Inclusion and Welfare Support Team, Enabling & Customer Services, Financial Assessment Team, PO Box 9089, Dumfries, DG1 9EB

## Getting advice

**Age Scotland:** Age Scotland provides services and support at a national and local level to inspire, enable and support older people when they need it.

Tel: **0845 833 0200**

**Web Address:** [www.agescotland.org.uk](http://www.agescotland.org.uk) **Email:** [info@agescotland.org.uk](mailto:info@agescotland.org.uk)

Address: Age Scotland, Causewayside House, 160 Causewayside, Edinburgh, EH9 1PR

**Care Information Scotland (CIS):** Care Information Scotland is a phone, webchat and website service providing information about care and care services for people living in Scotland.

Tel: **0800 011 3200**

**Web Address:** [www.careinfoscotland.scot](http://www.careinfoscotland.scot)

Email: [www.careinfoscotland.scot](http://www.careinfoscotland.scot)

**Independent Age:** Independent Age is a charity that provides advice, befriending and campaigning services for older people.

Tel: 0800 319 6789

**Web Address:** [www.independentage.org](http://www.independentage.org) **Email:** [advice@independentage.org](mailto:advice@independentage.org).

Address: Independent Age, 18 Avonmore Road, London, W14 8RR

**The Office of the Public Guardian:** The Office of the Public Guardian has a statutory responsibility in Scotland to supervise people appointed to make financial or property decisions on behalf of an incapable adult. They also register continuing or welfare powers of attorney under the terms of the Adults with Incapacity (Scotland) Act 2000.

Tel: 01324 678300

Web Address: [www.publicguardian-scotland.gov.uk](http://www.publicguardian-scotland.gov.uk)

Email: [publicguardian-scotland.gov.uk](mailto:publicguardian-scotland.gov.uk)

Address: The Office of the Public Guardian, Hadrian House, Callendar Business Park, Callendar Road, Falkirk, FK1 1XR

**Scottish Care:** Scottish Care represents the largest group of Health and Social Care sector independent providers across Scotland delivering residential care, day care, care at home and housing support

Tel: 01292 270 240

Web Address: [www.scottishcare.org](http://www.scottishcare.org) Email: [enquiries@scottishcare.org](mailto:enquiries@scottishcare.org)

Address: Scottish Care Ltd, 54A Holmston Road, Ayr, KA7 3BE

**unbiased.co.uk:** unbiased.co.uk is the UK's most comprehensive professional adviser search website and focuses on providing users with the resources they need to make better informed financial and legal decisions. The Independent Financial Advisers listed provide impartial advice to customers and are not linked to financial product providers.

Tel: 0330 1000 755

Web Address: [www.unbiased.co.uk](http://www.unbiased.co.uk) Email: [contact@unbiased.co.uk](mailto:contact@unbiased.co.uk)

## **Financial Guide to Moving into a care home**

Costs, charges and benefits from 06/04/2026

### **Capital and savings**

If you have capital of £36,750 or more you will have to pay the full cost of your care until your capital falls below that level.

If you have between £22,750 and £36,750 you will be charged £1 per week for every £250 or part of £250 over £22,750. Your contributions will reduce as your capital (savings) reduces, unless you are claiming Pension Credit. Below £22,750 your capital will no longer be assessed for residential or nursing care charges. (Different capital limits apply for Pension Credit)

It is important to notify Dumfries & Galloway Council's Financial Inclusion & Welfare Support Team (FIWS) if your capital is over £22,750 and your capital changes or your capital goes above £22,750.

If you enter Residential Accommodation as a permanent resident the value of your property that you lived in will be disregarded for the first twelve weeks. This offers a 'breathing space' between entering a care home on a permanent basis and deciding how best to pay for your care. If the property is sold within the twelve week period then this disregard effectively ceases from the date of sale.

### **Personal Allowance**

The personal allowance from 06/04/2026 is £37.65 per week. This allowance is for you to spend on things of your choice for example, personal toiletries, treats, presents for friends and relatives.

### **Savings Disregard**

The Savings Disregard allows residents aged 65 and over who reached state pension age before 06/04/2016 with qualifying income over the threshold of £208.07 or £329.75 for a couple, to retain an assessed amount of their income on top of their Personal Expenses Allowance. The Savings Disregard is up to £8.95 per week for individuals and up to £13.25 per week for couples as of April 2026.

This disregard is available if you are on Pension Credit (Savings Credit) or your qualifying income is greater than payment of this permits.

**Attendance Allowance (AA), Pension Age Disability Payments(PADP), Scottish Adult Disability Living Allowance (SADLA) (care component) Adult Disability Payments (ADP) (daily living) and Personal Independence Payments (PIP) (daily living)**

In most cases, AA, PADP, DLA/SADLA (care component), ADP/PIP (daily living) is paid for the first four weeks only from when you become a resident. Then the allowance is withdrawn.

Allowance	Higher Rate	Middle Rate	Lower Rate
AA/PADP	£114.60	Not applicable	£76.70
DLA/SADLA (care component)	£114.60	£76.70	£30.30
DLA/SADLA (mobility component)	£80.00	Not applicable	£30.30
	Enhanced Rate	Standard Rate	
PIP/ADP (daily living)	£114.60	£76.70	
PIP/ADP (mobility component)	£80.00	£30.30	

In most cases, if you get DLA/SADLA or PIP/ADP (Mobility component) when you first go into a residential or nursing care home you are able to retain the allowance indefinitely and it is disregarded as income in your financial assessment.

### **Retirement Pension**

If you are getting a State Pension when you go into a Care Home it will be included as part of your income in your financial assessment. The value of State Pensions under the old rules in 2026/27 is:

Basic Rate	£184.90
Married woman's based on husband's contribution	£110.75

If you receive a graduated benefit and/ or additional pension based on SERPS, your pension will be at a higher amount than the basic rate.

For people reaching State Pension age from 06 April 2016 the full rate of the State Pension under the new rules is £241.30 per week.

## Pension credit

If you move into a care home you may get Pension Credit providing you qualify under the rules for capital and low income. The capital limits for Pension Credit are £10,000 (lower) and no upper limit.

Maximum Pension Credit Guarantee Credit - single	£238.00
Maximum Pension Credit Guarantee Credit - couple	£363.25
Maximum Pension Credit Savings Credit - single	£17.96
Maximum Pension Credit Savings Credit - couple	£20.10

The maximum Pension Credit Guarantee Credit is reduced by any income such as State Pension or Occupational/Private Pensions and by £1 per week for each £500 or part of £500 above £10,000.

## Occupational Pension

If you are married to a partner who remains at home, you will have half of any occupational pension you receive disregarded.

## Free Personal Care and Free Nursing Care

Where a person is assessed by Social Work as requiring Residential Care they are entitled to a payment of £260.30 per week towards this irrespective of their age.

Where a person of any age is assessed by Social Work as requiring Nursing Care or Specialist Dementia (EMI) care, they are entitled to a payment of £117.10 per week towards this. This is paid in addition to the free personal care payment.

These payments are normally made direct to the care home.