

INTRODUCTION

Moving into a care home can be a daunting and stressful experience for residents and their families. There are several key aspects related to financial impacts and the contractual relationship between the resident, the care home provider, and NHS Highland which this leaflet broadly explains. A specialist member of staff from NHS Highland's Adult Social Care Transactions & Income Team will be available to provide you with detailed support and advice on the financial assessment process.

You may also wish to consult an independent financial adviser, solicitor or voluntary support organisation for advice.

WHAT WILL IT COST WHEN I MOVE INTO A CARE HOME?

The rules on charging for residential accommodation are defined by the Scottish Government and further explained in the 'Guidance on Charging for Residential Accommodation' (CRAG). This document is available on the NHS Highland website and can also be made available on request.

Everyone is required to pay a contribution towards their stay in a Care Home, whether you are a self-funding resident or are entitled to funding from NHS Highland. The amount you will need to pay is based on your available income, savings and capital assets.

If you have available capital over £35,500 (2025/26) the Care Home will charge you their full fee rate as a self-funding resident. You may be eligible for a Free Personal and/or Nursing Care contribution from NHS Highland. If so, this will be paid directly to the Care Home, and they will deduct it from the rate they charge you. Self-funding status relates to available money, e.g. bank accounts, stocks and shares – the value of any property is treated separately (further property information on p.3).

Please note that some care homes require residents to provide proof of their ability to self-finance for a minimum length of time. Residents or their family/representative may be asked by the care home, or the care home operator, to sign an agreement which legally binds this commitment. **Residents and their family/representative are strongly advised to seek independent legal advice before signing any agreement with the care home, or the care home operator.**

If you have available capital below £35,500 (2025/26) the Care Home will charge NHS Highland, the National Contract Rate for your placement (this is lower than most Care Homes' full fee rate). You will be required to make a financially assessed contribution towards your Care Home costs which you pay direct to NHS Highland. Your contribution will

be calculated using your level of income and available capital. Income may include State and private or work pensions, annuities, rental income, etc. If your available capital falls between £22,000 and £35,500, a notional weekly income will be added to your financial assessment. This is calculated at a rate of £1 for every £250 of capital within that range. You are entitled to retain a statutory Personal Expenses Allowance of £35.90 (2025/26) per week from your income.

WILL OTHER MEMBERS OF MY FAMILY HAVE TO CONTRIBUTE TOWARDS THE CARE COSTS?

Other members of your family are not obliged to pay anything towards the cost of your care, although they may choose to enter into a separate agreement with the care provider for extra services.

WHAT DOES A FINANCIAL ASSESSMENT INVOLVE?

A referral will be made to NHS Highland Transactions & Income Team by your Social Worker, asking them to arrange to complete a financial assessment with you and/or your representative (e.g. family member, Power of Attorney, Financial Guardian). The assessment form is usually issued to you by post or email but, if necessary, can be completed by telephone or face to face.

A financial assessment is not mandatory, but if you do not wish to provide your financial details you may be required to pay the full cost of your Care Home fees.

The financial assessment process concentrates on the financial circumstances of the person moving into a Care Home. You will need to provide details of:

- Income
 - State benefits, private pensions, Trusts etc
- Capital
 - Savings in bank, Building Society and Post Office accounts
 - Investment bonds, Trusts, ISAs, stocks, shares, Premium Bonds etc

You will be asked to provide evidence of income and capital, e.g. bank statements, and copies will be required for our records. NHS Highland can verify the information you provide with relevant organisations if required.

Only savings and capital owned by the person moving into a Care Home are taken into account in the financial assessment. If you have savings or capital in joint names with someone else, these will be split equally, and you will be considered to own half.

If you have a private or work pension and a spouse/partner who continues to live at home, only half of the pension will be taken into account in the financial assessment.

Although the financial assessment focuses on the person moving into a Care Home, enquiries can also be made on your spouse/partner's behalf to ensure they are receiving all the Benefits to which they might be entitled to, if this is helpful.

IF I OWN A HOUSE, WILL I HAVE TO SELL IT TO PAY CARE HOME FEES?

If you own a property, or a share in a property, its value will normally be included as a capital asset if you move into a Care Home permanently. The value of the house in which you lived prior to moving into a Care Home will be automatically disregarded whilst it continues to be occupied by any of the following:

- Your husband or wife, your civil partner or unmarried partner
- A relative who is over 60 years of age
- A relative who is incapacitated
- A relative under 16, who you are responsible for
- A divorced or estranged partner who is a lone parent with a dependent child

If you have capital under £35,500 (2025/26) and own, or part own, a property which is your main residence, its value will be disregarded for the first 12 weeks following admission to a Care Home as a permanent resident.

From week 13 onwards, NHS Highland takes account of the property, and a debt will accrue. This is based on the difference between your assessed contribution and the sum that NHS Highland pays to the Care Home on your behalf. Your entitlement to Free Personal Care or Free Personal & Nursing Care is deducted from the calculation. You will be issued with a statement of the amount accruing every 6 months.

As part of the financial assessment process, NHS Highland will ask for your consent to inform the relevant Care Home about property which you own. If you are seeking a placement at an Independent Care Home and give consent, NHS Highland will tell the Care Home whether your property is being included in, or disregarded from, your financial assessment. If the property is included, NHS Highland will notify the Care Home of the date from which this applies; the Care Home is entitled to accrue a debt to cover the gap between the National Contract Rate paid to them by NHS Highland and their full fee rate. If you do not provide consent to share property information, NHS Highland will make the Care Home aware of consent being withheld. In this situation the Care Home will contact you directly for this information.

You are not required to sell your property but the debt that accrues based on its value must be settled, and often the only way to do this is through its sale. NHS Highland will secure its debt by placing a Charging Order on the property. This is a legal arrangement to ensure

repayment of the debt if the property is sold or transferred – there is no cost to you for the Charging Order.

The way that property is treated within a financial assessment can be complex. NHS Highland has a specialist Property Section who can provide you with additional information. **You may also wish to consult a solicitor or take independent advice.**

WHAT HAPPENS IF I TRANSFERRED MY HOUSE?

The law requires NHS Highland to make enquiries to establish whether ownership of the property might have been transferred with the intention of avoiding or reducing any liability to contribute towards Care Home costs.

This is termed ‘deprivation of capital’ and can apply to the disposal of any type of savings or capital as well as property. Should you decide to gift any material sums of money which reduce your available savings you should take advice from NHS Highland before going ahead. Deprivation of capital can be a matter of considerable legal complexity, and anyone who might be affected may wish to seek independent legal advice.

WHAT HAPPENS IF MY FINANCIAL CIRCUMSTANCES CHANGE WHILST I AM IN A CARE HOME?

If there is a change in your financial circumstances while you are in a Care Home you should advise NHS Highland, as it may affect your assessed contribution.

CAN I APPOINT SOMEONE TO LOOK AFTER MY FINANCIAL AFFAIRS?

The most comprehensive way to allow someone to manage your financial affairs is to arrange for them to be granted Power of Attorney. This allows them to look after financial arrangements on your behalf, including the operation of your bank accounts. It is possible to arrange for Power of Attorney yourself, but it is a legal process, and many people prefer to ask a solicitor to arrange this on their behalf.

The person granting Power of Attorney must have the capacity to understand what this allows. Power of Attorney can be put in place before an individual needs someone to act on their behalf because they are no longer able to do so. More detailed information on appointing someone to look after your financial affairs is available at the Office of the Public Guardian website <https://www.publicguardian-scotland.gov.uk/>

We hope that the information in this leaflet is helpful. If you wish to discuss anything further, please contact NHS Highland Transactions & Income Team:

Email: nhsh.rpt@nhs.scot

Post: Transactions & Income Team, NHS Highland, 1st Floor The Highland Council Offices,
84 High Street, Dingwall IV15 9QN

Tel: 01349 869267

INDEPENDENT ADVICE AND INFORMATION

The following services provide independent advice and information which you may find helpful.

Citizens Advice Bureaus

Caithness

Thurso 01847 894243

Wick 01955 605989

Inverness, Badenoch & Strathspey 01463 237664

Lochaber 01397 705311

Nairn 01667 456677

Ross & Cromarty 01349 883333

Skye & Lochalsh 01478 612032

East Sutherland 01408 633000

North West Sutherland 01971 521730

Connecting Carers Information Line 01463 723560

email : carers@hccf.org.uk

Spirit Advocacy (HUG/People First Highland) 0300 365 9366

email : hug@spiritadvocacy.org.uk

The Highland Council Welfare Support Team 0800 090 1004

email : moneyadvice@highland.gov.uk