Paying for adult social care in England

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Summary

This briefing provides a high-level overview of how individuals in England may access financial support from their local authority towards the costs of their adult social care.

The framework governing eligibility for local authority funding support is set out in The Care and Support (Charging and Assessment of Resources) Regulations 2014 (SI 2014/2672), as amended (SI 2014/2672) and in the Care and Support Statutory Guidance (CASS) published by the Department of Health and Social Care.

Very broadly, whether a person is eligible for local authority funding depends on how much capital they have:

- Care home residents with capital in excess of £23,250 (the upper capital limit) are not eligible for local authority funding support.

- Care home residents with capital between £14,250 (the lower capital limit) and £23,250 (the upper capital limit) are eligible for funding support but must contribute a “tariff income” of £1 per week for every full or part £250 above the lower limit towards the cost of their care.

- Care home residents with capital below £14,250 are eligible for funding support and are not charged any “tariff income” – i.e. the capital is effectively completely disregarded.

While these limits are rigid for care home residents, local authorities have discretion to set higher (but not lower) limits for people receiving care in other settings (e.g. in their own home).

The value of a person’s main or only home is disregarded as capital when they are receiving care outside of a care home. For care home residents, their home can be counted as capital, but in certain circumstances it must be disregarded either for a time-limited period or permanently (e.g. if the home has been continuously occupied by the person’s partner since before they went into a care home).

When someone is eligible for local authority funding support they are still required to contribute their income towards the cost of their care, subject to any disregards (e.g. earnings).

Individuals are, however, allowed to retain a certain amount each week for personal expenses and (if applicable) household bills. For care home residents this is called the Personal Expenses Allowance and for people receiving care in other settings it is called the Minimum Income Guarantee.
Paying for adult social care in England

1 Introduction

This briefing provides information on how people are assessed for local authority funding support towards the costs of their adult social care. It is intended to provide a broad overview of the current position in the context of the long-anticipated reform of how people pay for care. While the main content applies to England only, the final section provides very brief information on the position in the other nations of the UK.

More detailed information on the current system, which may be useful for individuals currently in receipt of care, is available in a range of factsheets published by Age UK. Of particular interest may be:

- Age UK, Paying for permanent residential care, April 2021.
- Age UK, Property and paying for residential care, August 2021.
- Age UK, Paying for care and support at home, May 2021.

A range of Library briefings provide information on other aspects of adult social care in England, including:

- CBP 8005, Adult Social Care: Means-test parameters since 1997
- CBP 7903, Adult social care funding (England)
- CBP 8001, Reform of adult social care funding: developments since July 2019 (England)
- CBP 8948, Overseas health and social care workforce

1.1 Accessing social care support: the care needs assessment

Under sections 9 and 10 of the Care Act 2014, local authorities have a duty to undertake an assessment of any adult with an appearance of need for care and support, or any carer with an appearance of need for support, regardless of their financial situation or whether the authority thinks that the individual is eligible for support.¹

More detail on the care needs assessment is available in the Age UK factsheet: How to get care and support.

¹ Care Act 2014, sections 9 & 10.
While local authorities can set their own assessment procedures, they must meet a person’s social care needs if they meet national eligibility criteria set by regulations. Authorities also have the power, but not a duty, to meet needs which do not meet the national eligibility criteria.

Further information on the national eligibility criteria is available in paragraphs 6.104 to 6.134 of the Care and Support Statutory Guidance, published by the Department of Health and Social Care (DHSC).

1 NHS Continuing Healthcare and Funded Nursing Care

If someone qualifies for NHS Continuing Healthcare (NHS CHC), then the NHS will meet the full cost of both their health and social care needs (including accommodation costs in a care home, if applicable) irrespective of their means. The person does not have to contribute anything towards the cost. A person is only eligible for NHS CHC if their need for care is assessed as being primarily due to health needs. For more information, see the Library briefing paper NHS Continuing Healthcare in England.

In addition, where a care home resident is assessed as eligible for NHS funded nursing care (FNC), the NHS makes a fixed-rate payment to the care home towards the cost of the care provided to the resident by the home’s registered nurses. The standard FNC rate for 2021-22 is £187.60 per week. Further information is available in the Age UK guide: NHS Continuing Healthcare and NHS-funded nursing care.

1.2 The financial assessment

If a local authority wishes to charge a person for meeting their social care needs (whether eligible or not) it must carry out a financial assessment of what they can afford to pay. However, in certain circumstances an authority can treat a person as if a financial assessment has been carried out (referred to as a “light touch” financial assessment).

The main circumstances where a light touch assessment can be carried out are:

- it is apparent the person has significant financial resources that will mean they fail the means-test;

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2 The Care and Support (Eligibility Criteria) Regulations 2015 (SI 2015/313).
3 DHSC, NHS-funded nursing care rate to increase, 11 March 2021.
4 Care Act 2014, section 17.
• the person is claiming certain benefits (for example, means-tested benefits); or
• where the local authority charges a small or nominal amount for a particular service which a person is clearly able to meet and would clearly have the relevant minimum income left.  

In terms of undertaking further reviews of what a person can afford to pay, the CASS states that “a local authority must regularly reassess a person’s ability to meet the cost of any charges to take account of any changes to their resources. This is likely to be on an annual basis, but may vary according to individual circumstances”, which may include “if there is a change in circumstance or at the request of the person”. 6

1.3 Care and support which must not be charged for

While under the Care Act 2014, local authorities have a general power to charge a person for meeting their care needs, there are certain care and support needs which a local authority cannot charge for. 7 These are detailed in the CASS:

• intermediate care, including reablement, which must be provided free of charge for up to 6 weeks…[but there should not be a strict time limit and local authorities have discretion to offer this free of charge for longer than 6 weeks where there are clear preventative benefits].

• community equipment (aids and minor adaptations). Aids must be provided free of charge whether provided to meet or prevent/delay needs. A minor adaptation is one costing £1,000 or less

• care and support provided to people with Creutzfeldt-Jacob Disease

• after-care services/support provided under section 117 of the Mental Health Act 1983

• any service or part of service which the NHS is under a duty to provide. This includes Continuing Healthcare and the NHS contribution to Registered Nursing Care

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6 As above, para 8.17.
7 Care Act 2014, section 14.
• more broadly, any services which a local authority is under a duty to provide through other legislation may not be charged for under the Care Act 2014

• assessment of needs and care planning may also not be charged for, since these processes do not constitute ‘meeting needs’. ⑧

The rules and local authority discretion

Since April 2015, following the implementation of the Care Act 2014, the rules governing the adult social care financial assessment have been set out in The Care and Support (Charging and Assessment of Resources) Regulations 2014 (SI 2014/2672), as amended (SI 2014/2672) and in the Care and Support Statutory Guidance (CASS) published by the DHSC. ⑨

Although the regulations and guidance cover both care home residents and people receiving care in other settings (e.g. in their own home), the level of detail differs. In short, the regulations and guidance set out fairly prescriptive rules for care home residents, which local authorities are required to follow. In contrast, for settings other than care homes, local authorities have to “develop and maintain” their own charging policies with the proviso that that they must be at least as generous as the rules for care homes.

For example, as explained in the next section, individuals with capital above a certain amount (the upper capital limit) are not eligible for local authority funding support toward the cost of their care. For care home residents the upper capital limit is set by the regulations at £23,250, but local authorities can, if they wish, set a higher limit (but not a lower one) for people receiving care in other settings. ⑩

The previous approach – separate guidance

Prior to the publication of the CASS, the then Department of Health (DH) published two sets of guidance on charging for social care:

• For care home residents, Charging for Residential Accommodation Guide ⑪

• For those receiving care in non-care home settings, Fairer Charging Policies for Home Care and other non-residential Social Services. ⑫

⑨ The Care and Support (Charging and Assessment of Resources) Regulations 2014 (SI 2014/2672); DHSC, Care and Support Statutory Guidance, last updated 21 April 2021.
⑩ As above, paras 8.4-8.7.
⑪ The last edition was Department of Health, Charging for Residential Accommodation Guide, April 2014.
⑫ The last edition was Department of Health, Fairer Charging Policies for Home Care and other non-residential Social Services, June 2013.
2 Eligibility for financial support – the capital means test

2.1 The capital limits

Whether a person is eligible for local authority funding towards the cost of their social care depends on how much capital they have. Currently:

- Care home residents with capital in excess of £23,250 (the upper capital limit) are not eligible for local authority funding support.
- If a care home resident has capital between £14,250 (the lower capital limit) and £23,250 (the upper capital limit) they are eligible for local authority funding support but must contribute a “tariff income” of £1 per week for every full or part £250 above the lower limit towards the cost of their care. (This is in addition to any other income they are required to contribute (see section 4)).
- Care home residents with capital below £14,250 are eligible for local authority funding support and are not charged any “tariff income” – i.e. the capital is effectively completely disregarded. Individuals are, however, still required to contribute their income towards the costs of their care, subject to any disregards (see section 4 below)).

The capital limits are rigid for care home residents. However, for individuals receiving care in locations other than a care home, they are simply minimums and local authorities can set higher limits if they wish.

Although a person may not initially be eligible for local authority funding support, over time as they spend their capital to pay for their care (and other bills), it may reduce to below the upper limit. At this point, they would become eligible for funding support.

While the upper capital limit determines the point at which someone becomes eligible for social care funding support from their local authority, there is currently no limit – in terms of time or cost – that a person can spend on social care in their lifetime. This can lead to some people facing what are

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14 DHSC, Care and Support Statutory Guidance, last updated 21 April 2021, paras 8.12.
often referred to as “catastrophic care costs” of over £100,000. A major focus of reform proposals over the last 20 years has been how to limit the extent of such costs.

Information on how the capital limits, and the other main parameters of the financial assessment, have changed over time is provided in the Library briefing: Adult Social Care: Means-test parameters since 1997.

2.2 What is (and isn’t) classed as capital

Annex B of the CASS provides detailed information on the treatment of capital under the financial assessment. It does not provide a definitive definition of capital but states that capital “refers to financial resources available for use and tends to be from sources that are considered more durable than money in the sense that they can generate a return”.

Examples of capital cited in the CASS include buildings, land, stocks and shares, bank and building society accounts and trust funds. The value of a care home resident’s home may also be treated as capital (see section 4 below). Some capital is treated as income, including, for example, payments under an annuity.

Certain capital can be permanently disregarded from the financial assessment, either partially or in-full. This includes, for example, the surrender value of any life assurance policy or annuity, payments in kind from a charity and any social fund payment. Some capital is also disregarded for a fixed period of time.

Information on when a person’s home is disregarded from the financial assessment is provided in section 4 below.

2.3 Deliberate deprivation of assets

Where someone deliberately reduces their capital (or income) with the intention of reducing the amount they must pay towards their social care, the local authority has the power to “either charge the person as if they still possessed the asset or, if the asset has been transferred to someone else, seek to recover the lost income from charges from that person.”

15 For more information see, The Health Foundation, If not now, when? The long overdue promise of social care reform, 10 May 2021.
17 As above, Annex B, para 55.
18 For full details of disregarded capital see Annex B of the CASS.
There are no hard and fast rules about how long an asset has been disposed of (e.g. a certain number of years) for it to be considered deliberate deprivation, although the timing of the disposal should be taken into consideration (among other factors). For example, the CASS states that “it would be unreasonable to decide that a person had disposed of an asset in order to reduce the level of charges for their care and support needs if at the time the disposal took place they were fit and healthy and could not have foreseen the need for care and support.”

Further details are provided in Annex E of the CASS and in the Age UK guide: [Deprivation of assets in social care](https://www.ageuk.org.uk/socialcare/carecosts/assetdeprivation/) (September 2020).

### 2.4 Personal budgets and choice of care

If a local authority is required, or chooses, to meet a person’s care needs, it must produce a care and support plan setting out how those needs will be met. This should include a statement setting out the cost to the local authority of meeting the person’s needs (their “personal budget”), including the amount that the person must pay themselves (on the basis of the financial assessment) and the amount the local authority must pay.

A personal budget must be sufficient to meet the person’s needs which the local authority is required or has chosen to meet. A local authority must also ensure that at least one accommodation option is available within a person’s personal budget and it should ensure that there is more than one such option.

### Top-up payments

In some cases, a person may choose a care home that is more expensive than the amount identified in their personal budget. Where this happens, a “top-up payment” will be required to cover the difference between the actual cost of the preferred care home and the amount the local authority will pay.

There are two types of top-up:

- **First-party top-up:** where the person provides their own money
- **Third-party top-up:** where the top-up is funded by someone else e.g. a relative.

Usually top-up payments are made by a third party. A first party top-up can only be made if one of the following applies to the person whose needs are being met:

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21 As above, para 11.7, Annex J.
22 As above, para 11.24.
23 As above, para 8.37.
they are subject to a 12-week property disregard [...];

they have a deferred payment agreement in place with the local authority [...]; or

they are receiving accommodation provided under S117 [section 117 of the Mental Health Act 1983] for mental health aftercare. 24

In order to agree to a top-up agreement, a local authority “must ensure that the person paying the ‘top-up’ is willing and able to meet the additional cost for the likely duration of the arrangement, recognising that this may be for some time into the future”. The CASS states that a local authority “must ensure that the person paying the ‘top-up’ enters into a written agreement with the local authority, agreeing to meet that cost”. 25

Top-up payments must always be optional and not as a result of there being no suitable places available within a person’s personal budget. 26 Age UK explains that a person “should not be asked for a third party top-up if [they] have moved into a more expensive home out of necessity rather than personal preference.” 27

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25 As above, Annex A, para 23.
26 As above, para 8.37 & Annex A, para 12.
27 Age UK, Finding, choosing and funding a care home, July 2021, p17.
3 Property and the capital means test

The value of a person’s main or only home is always disregarded from the capital part of the means test if they are receiving care in a setting other than a care home. The remainder of this section covers the situation regarding care home residents.

When a person is resident in a care home, their home may be included in the means test, which could mean they have to sell it in order to pay for their care (but see section 4.1 below on deferred payment arrangements). In some cases, however, the value of a person’s home must be disregarded, either for a time-limited period or permanently. Local authorities also have a discretion to disregard the value of a person’s home in situations where a mandatory disregard does not apply.

3.1 Shared ownership of a home

When a local authority is determining the value of someone’s capital there are rules in the CASS regarding shared ownership. For a jointly owned property, the actual share or beneficial interest is taken into account. The CASS notes that “the current market value will be the price a willing buyer would pay to a willing seller”. 28

In terms of acquiring someone’s share of a home, however, there could be a question mark over its market value. Age UK explains that:

If you [i.e. the person in receipt of social care services] jointly own property, it is your individual beneficial interest in the property that should be taken into account and valued in the financial assessment, not the property as a whole.

This means the local authority must base its valuation on the sale value of your beneficial interest to a ‘willing buyer’, on the open market, at the time of your financial assessment.

They should not simply assess the value of your property as a whole (or equivalent properties), divide up the shares owned and say this is the true value of your beneficial interest. The value of your beneficial interest depends on how attractive it is to purchase. This can include a nil value.

The joint property ownership trust purpose

When property is jointly owned, it is owned in trust in legal terms – each owner holds it in trust for the other owners. For your beneficial interest in a jointly owned property to have a value to a willing buyer on the open market, they must be able to realise its value. This relates to their potential ability to apply to a Court to enforce sale of the whole property. 29

3.2 When property is disregarded for a time-limited period

The value of a property can be disregarded from the means-test for 12 weeks:

- when a person first enters a care home as a permanent resident; or
- when a property disregard other than the 12-week disregard (see below) unexpectedly ends because the qualifying relative living at the home has died or moved into a care home.

In addition, a local authority has discretion to apply a 12-week disregard “when there is a sudden and unexpected change in the person’s financial circumstances.” The CASS states that the local authority “will want to consider the individual circumstances of the case” when deciding whether to apply the disregard. 30

3.3 When property is disregarded permanently

There are two circumstances when a care home resident’s main or only home must be permanently disregarded from the capital part of the means test.

Firstly, the home must be disregarded if a person’s stay in a care home is temporary and they intend to return to their home, or are in the process of selling it in order to buy a new home that is more suitable to their needs. 31

Secondly, the home must be permanently disregarded where it has been continuously occupied by one of the following people as their main or only home since before the person went into a care home:

- the persons partner, former partner or civil partner, except where they are estranged;
- a lone parent who is the person’s estranged or divorced partner;

29 Age UK, Property and paying for residential care, August 2021, pp11-12.
31 As above, Annex B, para 34.
• a relative of the person or a member of their family who is either:
  - aged 60 or over;
  - a child of the resident aged under 18; or
  - incapacitated.

The CASS provides definitions of “relative” and “member of a person’s family” for these purposes. It states that the term “incapacitated” is “not closely defined” but that it “will be reasonable to conclude that a relative is incapacitated” if they are in receipt of a disability-related benefit (such as Personal Independence Payment), or if their disability is equivalent to that required to qualify for such a benefit.32

3.4 Local authority discretionary disregard

Local authorities also have discretion to permanently exclude the value of a person’s home from the means test where one of the two mandatory permanent disregards set out above do not apply. The CASS states that the local authority “will need to balance this discretion with ensuring a person’s assets are not maintained at public expense.” It adds that “an example where it may be appropriate to apply the disregard is where it is the sole residence of someone who has given up their own home in order to care for the person who is now in a care home or is perhaps the elderly companion of the person.”33

3.5 Deferred payment agreements

A deferred payment agreement (DPA) is essentially a loan given by a local authority, which is usually secured against the value of a person’s property. The intention is to allow a person to delay paying their care costs until a later date and thus avoid having to sell their home in their lifetime in order to pay for residential care. However, as the name suggests, payment of care home bills are only deferred – they must be paid by the person (or a third party) at a later date. A person may also be charged administration costs and interest.34

A local authority must offer a DPA to a person if they meet eligibility criteria set out in the CASS (but there are certain circumstances where a request for a DPA may be refused even if a person meets the criteria (e.g. if the person

33 As above, Annex B, para 34-41.
34 As above, paras 9.69-9.77.
refuses the terms of the agreement). Authorities can also choose to offer a DPA to people who do not meet all the criteria.35

The CASS notes that while “in principle, a person should be able to defer the entirety of their care costs”, the actual amount to be deferred depends on the total costs of their care; the amount of equity in their chosen security (usually their home); and the amount they are contributing to their care costs from other sources.36

Local authorities must set an “equity limit” to determine the total amount that can be deferred. The limit must ensure that there is a buffer “to cover any subsequent interest which continues to accrue, and [to] provide a small ‘cushion’ in case of small variations in value of the security”.37 If the DPA is secured against a property, the equity limit should be set at the value of the property minus 10%, £14,250 (i.e. in line with the lower capital limit), and the amount of any encumbrances (legal claims by another party) already secured on it (e.g. a mortgage).38

Where a person has a DPA, the local authority must allow them to keep a proportion of their income to “maintain and insure the property” that is subject to the DPA. This is called the Disposable Income Allowance (DIA) and is currently set at £144 per week. A person may choose to keep less of their income than the DIA, but this must be entirely their decision.39

Further information on DPAs is available in chapter 9 of the CASS and in section 8 of the Age UK factsheet: Property and paying for residential care.

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36 As above, paras 9.36-9.38.
37 As above, para 9.40.
38 As above, para 9.42.
4 Treatment of income

When someone is eligible for local authority funding support towards the cost of their social care – because their capital is less than the applicable upper limit – they are still required to contribute their income towards the cost, subject to any disregards. This requirement is without limit – either in terms of cost or time.

In terms of what is defined as income for these purposes, the CASS notes that this can differ between care home residents and recipients of social care in other settings:

There are differences in how income is treated in a care home and in all other settings. Charging a person in a care home is provided for in a consistent national framework. When charging a person in all other settings, a local authority has more discretion to enable it to take account of local practices and innovations.40

4.1 What is and isn’t classed as income

Income is usually looked at on a weekly basis and taken into account in full, unless it is identified as being fully or partially disregarded.41 Where a person receives income as part of a couple, the starting presumption is that the cared-for person has an equal share of the income, but a local authority should consider the implications for the person’s partner.42 A person may also be treated as having income that they do not actually have (e.g. income that would be available if a person applied for it). This is referred to as notional income.43

Annex C of the CASS provides information on how certain categories of income are treated. Examples of income that is fully disregarded include (but are not limited to) earnings, including from self-employment, and payments from a personal injury trust.

Examples of income that is partially disregarded include:

• 50% per cent a private/occupational pension if it is paid to a spouse or civil partner who does not live in the same care home.

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41 As above, Annex C, para 7.
42 As above, Annex C, para 5.
43 As above, paras 34-35.
• If a person receives, or their income is too high for, Pension Credit Savings Credit, up to a maximum of £5.75 a week or £8.60 for a couple.

4.2 Social security benefits and disability-related expenditure

Local authorities may take most of the benefits people receive into account as income and they must take income from certain benefits specified in the CASS (e.g. Universal Credit) into account for care home residents.44 Annex C of the CASS lists those benefits that must be fully or partially disregarded (e.g. the mobility component of Disability Living Allowance and Personal Independence Payment must be fully disregarded).45

When including welfare benefits as income, the CASS states that local authorities “need to ensure that in addition to the minimum guaranteed income or personal expenses allowance [see section below] people retain enough of their benefits to pay for things to meet those needs not being met by the local authority”.46

In particular, the CASS states that “where disability-related benefits are taken into account [as income], the local authority should make an assessment and allow the person to keep enough benefit to pay for necessary disability-related expenditure to meet any needs which are not being met by the local authority.”47 Examples of such expenditure are set out in the CASS and include (but are not limited to):

• the costs of any privately arranged care services, including respite care
• the costs of any specialist items needed to meet the person’s disability needs - for example, specialist washing powders or any heating costs above the average levels for the area or housing type.

The CASS adds, however, that the list is not exhaustive and that “any reasonable additional costs directly related to a person’s disability should be included.”48

45 As above, paras 14–18 & 33.
46 As above, Annex C, para 14.
47 As above, Annex C, para 39.
48 As above, Annex C, para 40.
4.3 Income retained for personal expenses and household bills

While someone eligible for local authority funding support is expected to contribute their income towards the cost of their care (less any income that is disregarded), the CASS specifies a minimum level of income which a person must be left with after charges have been deducted.

For care home residents, this is called the Personal Expenses Allowance (PEA) and is currently set at £24.90 per week. However, local authorities have discretion to increase a person’s PEA if they wish. The CASS provides examples of when it may be appropriate to use this discretion.49

For people receiving care outside of a care home, this is called the Minimum Income Guarantee (MIG). The CASS explains that the purpose of the MIG “is to promote independence and social inclusion and ensure that [a person has] sufficient funds to meet basic needs such as purchasing food, utility costs or insurance. This must be after any housing costs such as rent and council tax net of any benefits provided to support these costs – and after any disability related expenditure.”50

The exact rates of the MIG depend on the age and circumstances of the person and can be found in regulation 7 of the Care and Support (Charging and Assessment of Resources) Regulations 2014 (SI 2014/2672), as amended.51 For example, the current MIG rate for a single adult who has attained Pension Credit Age is £189. As with the PEA, local authorities have discretion to increase a person’s MIG if they wish.52

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50 As above, paras 48-50.
51 The Care and Support (Charging and Assessment of Resources) Regulations 2014 (SI 2014/2672); The Care and Support (Miscellaneous Amendments) Regulations 2015 (SI 2015/644).
5 Paying for social care in the rest of the UK

This section provides very brief information on paying for adult social care in the other nations of the UK. The intention is to highlight the main points of difference with England, rather than to give a comprehensive account of how people pay for care in Scotland, Wales and Northern Ireland.

5.1 Scotland, Wales and Northern Ireland

The way people pay for adult social care shares some broad similarities across all four nations of the UK. For example, in all four nations:

- A means test is used to determine access to at least some social care financial support.
- Eligibility for means-tested support is determined with reference to how much capital a person has (i.e. there are capital limits).
- A person must contribute any income they have towards the cost of any means-tested support they are eligible for (subject to any disregards).

There are, however, significant differences between the four nations. For example, Scotland, Wales and Northern Ireland all offer additional, but different, support outside of the means test. The following sections provide some brief information on these main differences.

Further information on the adult social care systems in the countries of the UK is provided in a series of articles published by the Nuffield Trust: Adult social care in the four countries of the UK.

Scotland

The major difference between the system of paying for adult social care in Scotland compared to England is that personal care and nursing care are free in Scotland for any adult assessed as needing them.

Personal care includes personal hygiene, continence management, food and diet management, assistance with mobility, counselling and support, simple treatments, and personal assistance. Until April 2019, personal care was only
free to the over-65s but it has now been extended to all adults with an eligible need.\textsuperscript{53}

**Residential care**

For care home residents, the local authority makes a payment to the care home to cover the costs of a person’s personal and nursing care. The rates for 2021-22 are:

- £193.50 per week for personal care
- £87.10 per week for nursing care
- £280.60 to cover both personal care and nursing care.\textsuperscript{54}

For costs of accommodation in a care home (i.e. excluding the cost of personal and nursing care) eligibility for financial support is determined with reference to the amount of capital somebody has, as in England. However, the capital limits in Scotland are different:

- Upper capital limit (the amount above which a person is not eligible for financial support): £28,750
- Lower capital limit (the amount that is disregarded from the financial assessment): £18,000

As in England, people with capital between the lower and upper capital limits are charged a tariff income.

**Home care**

Local authorities have discretion over whether to charge for home care services which are not classed as personal care or nursing care (e.g. help with housework and shopping). While the Convention of Scottish Local Authorities (COSLA) provides guidance on how charges should be worked out, councils can set their own rules for some costs. Charges vary for similar services in different parts of Scotland.\textsuperscript{55}

**Further information**

Further information on paying for adult social care in Scotland is available via the following sources:

- Care Information Scotland website
- COSLA, Social Care Charging Information (non-residential care).

\textsuperscript{53} Nuffield Trust, Offer and eligibility: Who can access state-funded adult care and what are people entitled to?, 18 March 2020.

\textsuperscript{54} Age Scotland, Care Home Guide: Funding, May 2021, p5.

\textsuperscript{55} Age Scotland, Care and support at home: assessment and funding, May 2021, pp9-13.
Wales

Home care

A major difference between the systems of paying for adult social care in England and Wales is that in Wales the cost of care outside of a care home is capped at a maximum of £100 per week. Local authorities also have discretion to set a lower maximum weekly charge if they wish.

Local authorities in Wales are not able to charge a person more than the maximum weekly charge regardless of which services they are receiving. However, there are some low-level, low-cost services for which local authorities are able to set a flat-rate charge, which do not count towards the maximum weekly charge. Thus, it is possible that a person could pay £100 a week and be paying for low-level, low-cost services at the same time.

When charging for non-residential services, local authorities in Wales must apply a capital limit of £24,000. Individuals with capital over this threshold may be charged the maximum amount for services. This could be the full cost of providing the service if this is less than £100, or the maximum weekly charge of £100 if the cost of providing the service is greater than this.56

Residential care

The system of paying for care in a care home is broadly similar in Wales and England. However, the amount of capital that a person can have before they become ineligible for financial support (the upper capital limit) is higher in Wales at £50,000 in 2021-22.57 In addition, there is no lower capital limit in Wales. Rather, if a person has capital below £50,000 this is disregarded from the financial assessment.58

Further information

Further information on paying for adult social care in Wales is available via the following sources:

- Age Cymru, Paying care and support at home, May 2021.
- Age Cymru, Paying for a permanent care home placement in Wales, May 2021.

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56 Age Cymru, Paying for care and support at home in Wales, May 2021, pp13-21.
57 Written Statement: Raising the capital limit to £50,000, 8 April 2019.
58 Age Cymru, Paying for a permanent care home placement in Wales, April 2021, p18.
Northern Ireland

Home care

The major difference between the systems of paying for adult social care in England and Northern Ireland is that in Northern Ireland individuals who are assessed as requiring social care support in the home generally receive free domiciliary care. This covers most personal care and domestic services.59 While Health and Social Care Trusts can choose to charge people aged under 75 for care and support in the home, usually they do not do so. An exception is meals and wheels, for which a standard charge applies.60

Residential care

The system of paying for care in a care home is broadly similar in Northern Ireland and England, with eligibility for financial support based on the amount of capital a person has. Northern Ireland also currently has the same capital limits as England – i.e. an upper capital limit of £23,250 and a lower capital limit of £14,250.61

Further information

Further information on paying for adult social care in Wales is available via the following sources:

- NIDirect, Paying your residential care or nursing home fees.
- Age NI, Care at home, 2018.
- Age NI, Care homes, April 2015.
- Alzheimer’s Society, Paying for dementia care and support in Northern Ireland.

2 Paying for social care in Germany and Japan

Germany and Japan are sometimes highlighted as examples of countries that England could learn from when considering how to reform how people pay for adult social care. An overview of how the system of paying for care works in these countries is available via the following sources:


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59 Nuffield Trust, Offer and eligibility: Who can access state-funded adult care and what are people entitled to?, 18 March 2020.
60 Alzheimer’s Society, Paying for care and support at home in Northern Ireland, last accessed 20 August 2021.
61
• Nuffield Trust, *Capping the costs: what are the lessons from the German social care system?*, July 2021.

• Health and Social Care and Housing, Communities and Local Government Committees, *Long-term funding of adult social care*, HC 768 2017-19, 27 June 2018 (see in particular the box on pages 40-1 for information on the German system).


• Health and Social Care Committee, *Social care: funding and workforce*, HC 206 2019-21, 22 October 2020 (see page 29 for information on the Japanese system).

A broader overview of the systems of paying for adult social care in other countries aside from Germany and Japan is provided in the OECD’s 2020 report, *Long-Term Care and Health Care Insurance in OECD and Other Countries*. 
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