



A – Z Introductory Guide to Health and Social Care in Scotland

Residential Care Charging

Brief description

Residential care charging rules are set in legislation. They aim to ensure that residents who are able to do so make a fair contribution towards the cost of their residential care. The underlying principle is that, once they have received entitlement to Free Personal and Nursing Care, people who can afford to do so should contribute towards their remaining care costs in the same way as anyone living independently is responsible for their own housing, heating and food.

National Policy and Key Developments

- National Assistance (Assessment of Resources) Regulations 1992 provide the framework for local authorities to charge for care they provide or arrange in care homes. The local authority must consider most of a person's personal income including retirement pension, occupational pension and most social security benefits.
- Local authorities must allow residents they support in care homes to retain for personal use a Personal Expenses Allowance (PEA). The current PEA is £18.80 per week.
- The introduction of Free Personal and Nursing Care in 2002 means that the amount paid for care by people in care homes has been reduced.
- When calculating the financial contribution to be made towards care home fees, the authorities will take into account any capital, including property, worth £19,500 or more. Where capital falls between £19,500 and £12,000, a sliding contribution will be calculated. Capital less than £12,000 is not taken into account.
- The costs of care a person is assessed as needing should be fully covered by the fees paid by the local authority (LA). Legislation only allows for topping up of the care home fee paid by the LA where the resident specifically chooses a more expensive care home place than the LA would normally pay; and the LA approves the arrangement as sustainable.

- Residents who have to contribute from the value of their home may request a deferred payment agreement to avoid the need for their home to be sold in their lifetime. This enables the local authority to pay part of the resident's contribution and ultimately recover it from his or her estate. The December 2004 guidance circular CCD13/2004 reminds authorities that all eligible residents should be offered the choice of a deferred payment.
- Simple guidance has been made available for prospective residents, their carers and professionals in the booklet, *Thinking About Moving Into A Care Home?* Detailed technical guidance to local authorities is in the Charging for Residential Accommodation Guidance.

Relevant legislation and statutory guidance

National Assistance Act 1948

Social Work (Scotland) Act 1968

National Assistance (Assessment of Resources) Regulations 1992

Circular SWSG 5/93 issued March 1993 titled Social Work (Scotland) Act 1968 (Choice of Accommodation) Directions 1993 can be read at

www.scotland.gov.uk/library/swsg/index-f/c098.htm

Detailed technical guidance to local authorities is issued and regularly updated in the Charging for Residential Accommodation Guidance (CRAG)

http://www.show.scot.nhs.uk/sehd/publications/CC2004_06.pdf

Guidance on deferred payments

http://www.show.scot.nhs.uk/sehd/publications/CC2004_13.pdf

Circular CCD 5/2003 gives consolidated guidance on Free Personal and Nursing Care

http://www.show.scot.nhs.uk/sehd/publications/CC2003_05.pdf

Circular CCD 6/2002 gives guidance on topping up

http://www.show.scot.nhs.uk/sehd/publications/CCD2002_06.pdf

Other relevant material

Simple guidance has been made available for prospective residents, their carers and professionals in the booklet, *Thinking About Moving Into A Care Home?*

<http://www.scotland.gov.uk/library5/health/tmch-00.asp>

How can I find out more?

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