**Care Act factsheet 4 - Charging and financial assessments**

**Introduction**

Local councils must have clear and transparent policies about charging for care services. People who use these services, their carers, and the public, need to understand why they're being charged and how the charges are decided, as highlighted by the Standing Commission on Carers.

**Overview of the charging process**

Unlike the NHS, care and support services aren't completely free. People have typically had to contribute towards the cost of their care. While some services are provided at no charge, many come with fees.

How much someone pays depends on their financial situation. Sometimes, they have to pay the full cost, while other times, they pay a contribution towards the cost.

To figure out how much someone can afford, the local council does a detailed financial assessment. This looks at the person's income and any assets they have, like property or investments. Homeowners can sometimes delay paying care home fees through a 'deferred payment agreement' with the local council, where they pay later, often from the money they get when they sell their property or from their estate.

**Criteria for charging and assessments**

Local councils can charge for certain care and support services, but not all services have costs attached. The Care Act lets local councils decide on charges, but some services, like reablement or minor home adaptations, must be free. Since 2020, local councils can't charge once someone has reached the limit on care costs.

The local authority decides charges through a financial assessment, following clear rules and procedures. This assessment looks at the person's income and assets, with different rules for care in a care home or in their own home. It makes sure the person has enough money left for their personal needs after paying for their care.

If doing a detailed assessment isn't possible, the local council can do a simpler check to see if someone can afford a small charge. Similarly, individuals who can afford to pay for all of their care can ask for a simpler financial check, as long as the local council feels they can cover the costs.

**Deferred payment agreements**

Homeowners can use 'deferred payment agreements' to avoid selling their homes to cover care costs while they're alive. The local council pays the costs and gets the money back, with interest, later on. Local councils have to offer these agreements to people who meet certain criteria, and they can charge interest to cover their administrative costs.