

Factsheet: Local Authority Top Ups

What is a care home top-up fee?

Your care home fees may be funded by your local authority. If this is the case, they will provide details of care homes in your area that charge the amount they're willing to pay. However, you may want a care home that is more expensive than the amount they are willing to pay.

For example, you might want:

- a larger room
- a better view
- a different care home, or
- a care home in a location closer to your family.

A care home top-up fee is an extra payment that makes up the difference between what the local authority will pay and the full cost of your chosen care home.

You can choose care that's more expensive than what the local authority is offering, as long as someone can pay the difference. Generally, it must be a third party who pays the top-up fees. This could be a friend, a relative or other third party.

When can third-party top-up fees be paid?

Residents usually can't pay their own top-up fees (they shouldn't be able to afford this if they have qualified for local authority funding), so it's a relative, friend or charitable organisation who might pay.

You can pay your own top-up fees if:

- You've entered into a 12-week property disregard period with the authority. This is a period during which the authority doesn't take the value of your property into account.
- You've got a Deferred Payment Agreement in place with your authority. This is where the authority pays part of your care home fees as a loan. They get their money back once your property has been sold at a later date – or when you die.
- Your local authority has an obligation to review the arrangement once a year. However, anyone paying a top-up fee can ask for a review of the arrangement at any time.

There is no legal requirement for family members, friends or anybody else to agree to pay a third-party top-up fee and therefore the decision to meet this cost is a voluntary one. The third party will need to demonstrate they are able to pay the difference between the amount the local authority is prepared to pay and the care home's actual fees.

Advantages of third-party top-ups

Third-party top-ups can mean that you can live in your preferred care home. This is if that care home charges more than your local authority's prepared to pay.

Disadvantages of third-party top-ups

The third party will sign a contract with either the care home or the local authority, committing them to ongoing payments. It's worth considering that the third party may not be able to continue paying the top-up fees in the future. If you find that you (or whoever is paying the top-up fee) can no longer afford it, either due to a change in your financial circumstances or because of an unexpectedly high fee rise at a care home, you should tell the local authority.

Considerations

If you're considering topping up someone's funding, it's important to be aware that when the care home increases its fees (usually annually), the local authority may not increase its standard rate by the same amount. This means the top-up fee could become disproportionately more expensive.

The local authority should have set out in writing in the initial contract how they will respond to a change in the funding of the top up and what your responsibilities are in terms of letting them know of any change in circumstances. Whoever is paying the top-up fee will need to sign a written agreement with the local authority.

It might be the case that a care home suggests the top-up is paid to them, but the government suggests the contract rests with the local authority, who will invoice the third party for their contribution to the overall fee. A care home can't ask for a third-party top-up fee. They should go first to the local authority. If this happens to you, ask why they are doing this and then talk to the local authority. It's the duty of the council to reassess a person's needs and if the cost of care is going to increase, then the council should pay unless they can argue that the needs can be met elsewhere.

Getting advice

Make sure you seek independent advice from a specialist care fees adviser and look at all the available options. If you're paying for care yourself, you should get specialist care fees advice from a qualified and experienced adviser such as Carepal. We can:

- Discuss the best ways to protect your assets
- Look at how to ensure that your money lasts for as long as is needed, and
- let you know about products specifically designed to help with paying care costs

Contact us

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