PAYING FOR CARE AND REDUCING THE COST

Council funding for care: assessments, means test and charges

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IN BRIEF

Anyone who seems to need care can ask the council for a free care needs assessment, whatever their income or savings. If the needs are eligible, a separate financial assessment decides what the person pays. For care at home in 2026/27 the home is not counted, savings below £14,250 are ignored, and the person must be left with at least the minimum income guarantee (£241.45 a week for a single person over Pension Credit age).



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Councils in England arrange and help pay for care under the Care Act 2014. There are two separate steps: a **care needs assessment** (what help is needed) and a **financial assessment** (what the person pays towards it). Neither costs anything, and the council cannot charge for the care and support plan either. The figures below apply from April 2026 to March 2027.

How to ask for a care needs assessment

Contact the adult social care team at the council where the person lives. If you are not sure which council that is, GOV.UK's "find your local council" tool tells you from a postcode (link below); then look for "adult social care" or "request an assessment" on the council's website. Most councils have an online form as well as a phone line. In Oxfordshire, call 01865 519800 (Monday to Thursday 8.30am to 5pm, Friday 8.30am to 4pm).

Anyone can make the request: the person, a relative, a GP or a hospital team. The council must assess anyone who appears to need care and support, whatever their income or savings. If needs are urgent, the council can arrange care before the assessment is finished.

What to say or write: "I'm asking for a care needs assessment under the Care Act for [full name, date of birth, address, phone]. [He/She] has [condition] and is struggling with [washing and dressing, getting to the toilet at night, preparing meals, taking medicines safely]. [Recent events: two falls this month, a hospital stay.] I am [relationship] and the main carer, and I'd also like a carer's assessment. [Name] agrees to this request. Please tell me how long the assessment is likely to take and send me your charging policy."

Before the assessment:

- Keep a diary for a week of everything the person needs help with, including at night.
- Note falls, near misses, missed medication and tasks that now take much longer.
- If the person would struggle to take part and has no suitable family to support them, ask for an independent advocate.

Who is eligible for council-funded care

The national eligibility criteria have three conditions:

1. The needs arise from a physical or mental impairment or illness.
2. Because of those needs, the person is unable to achieve two or more of these outcomes: eating and drinking well; personal hygiene; using the toilet; dressing appropriately; moving around the home safely; keeping the home habitable; maintaining relationships; work, training, education or volunteering; using local services and transport; caring for a child.
3. As a result, there is, or is likely to be, a significant impact on their wellbeing.

"Unable" has a wide meaning. It includes needing help or prompting, managing only with significant pain, distress or anxiety, putting themselves or others at risk, or taking significantly longer than normal. The council must consider all the person's needs, even those a family carer currently meets.

The financial assessment for care at home



Rule	2026/27	What it means
Upper capital limit	£23,250	Above this, the person usually pays the full cost
Lower capital limit	£14,250	Savings below this are ignored
Tariff income	£1 a week for every £250	Applies to savings between the two limits
Minimum income guarantee, single, Pension Credit age	£241.45 a week	The least the person keeps after charges and housing costs
Minimum income guarantee, each of a couple, Pension Credit age	£184.30 a week	As above, for each member of a couple

The value of the home the person lives in is not counted for care at home. Councils can set higher capital limits for care at home, let people keep more income or cap the weekly charge, so always ask for the local charging policy. For younger adults the minimum income guarantee is lower (£120.40 for a single person aged 25 to Pension Credit age), with extra premiums for disability and caring.

The council adds up weekly income (pensions and most benefits) and any tariff income, then takes off housing costs such as rent and council tax, disability-related expenditure and the minimum income guarantee. The charge cannot be more than what is left, or more than the actual cost of the care.

Worked example. Joan, 82, lives alone. She has £300 a week from pensions, £114.60 Attendance Allowance and £16,000 in savings, which is £1,750 above the lower limit, so tariff income is £7. She pays £30 a week council tax and her disability-related expenditure is agreed at £40. If the council counts all her Attendance Allowance, her maximum charge is £300 + £114.60 + £7 − £30 − £40 − £241.45 = **£110.15 a week**, or less if the council's policy is more generous.

What the council must ignore

- The home, for care at home

- All earnings
- The mobility part of PIP or Disability Living Allowance
- Pension Credit savings credit (for care at home)
- War Pension Scheme payments to veterans (except Constant Attendance Allowance) and Armed Forces Compensation Scheme guaranteed income payments
- Direct payments
- Personal possessions, and the surrender value of life insurance policies and annuities
- Personal injury compensation held in a trust or by a court

Only the person receiving care is assessed. The council has no power to assess a couple's joint resources, and jointly held savings are normally treated as split equally.

Disability-related expenditure (DRE)

Where the council counts disability benefits such as Attendance Allowance, it should let the person keep enough to pay for necessary disability-related costs that it is not meeting. The statutory guidance lists examples, and says the list is not exhaustive:

- a community alarm
- privately arranged care, including respite or night care the council does not arrange
- extra laundry, special washing powder, extra bedding
- a special diet
- special clothing or footwear, or extra wear and tear
- heating or metered water above the average for the area
- reasonable cleaning, domestic help or basic gardening needed because of disability
- buying, maintaining and repairing disability equipment
- extra transport costs

Some councils allow a standard weekly amount. If real costs are higher, ask for an individual DRE assessment and send receipts or a costed list.

What the council pays: personal budgets and top-ups

When the council agrees to meet eligible needs, it sets a **personal budget**: the cost of meeting those needs, split into what the person pays and what the council pays. It must be enough to meet the needs in the care and support plan and should reflect the real local cost of good quality care. It can be arranged by the council, paid as a direct payment so the family arranges care, or a mix.

For care at home, if you choose a more expensive provider or more care than the plan includes, you can pay the difference yourself; agree it with the council in writing so everyone knows what the personal budget covers. In care homes, formal "top-up" rules apply: a relative or friend (and only in limited cases the resident) can pay the extra for a more expensive home, and the council must offer at least one affordable option.

If savings are above £23,250

The person pays the full cost but can still have a needs assessment and a care plan. For care at home, the council must arrange care if asked, and may charge a fee limited to its arranging costs. Ask for a financial reassessment a few months before savings are expected to reach £23,250. See Paying for care from savings and property.

How long it takes

There is no national deadline. The council should complete the assessment within a reasonable time, taking urgency into account, and tell you roughly how long it expects to take. Once care starts, a light-touch review should be considered six to eight weeks after the plan is agreed, then a full review at least every 12 months. Charges are normally reassessed every year, and should be whenever circumstances change or you ask.

How to challenge a decision

1. **Ask for everything in writing:** the eligibility decision, the care plan and the financial assessment calculation.

2. **Check the figures:** missing disability-related costs, the home or a disregarded payment counted, wrong income, or, where your council's charging policy disregards it, the night-time part of Attendance Allowance counted when no night care is funded (this is a local policy, not a national rule, so ask what your council does).
3. **Ask for a review** (wording below), keeping a copy of everything you send.
4. **Make a formal complaint** through the council's complaints procedure.
5. **Go to the Ombudsman.** If you are still unhappy, or the council has not replied within a reasonable time (usually up to 16 weeks), complain to the Local Government and Social Care Ombudsman, which is free: online at lgo.org.uk or on 0300 061 0614. It normally cannot look at complaints made more than 12 months after you first knew about the problem.

Asking for a review: "I am writing about the financial assessment dated [date] for [full name, reference number]. I believe it is wrong because [the disability-related expenditure listed below was not included / the night-time part of Attendance Allowance was counted although no night care is funded / a payment that must be disregarded was counted]. I enclose [receipts and a list of costs]. Please review the assessment, recalculate the charge from the start date, and send me a written explanation of your decision. If you do not agree, please treat this as a formal complaint."

Documents for the financial assessment

- [ ] National Insurance number and date of birth
- [ ] Pension and benefit award letters for 2026/27
- [ ] Statements for every bank, building society and savings account (councils commonly ask for the last few months)
- [ ] Details of investments, premium bonds and any property other than the home
- [ ] Rent or mortgage statement and council tax bill
- [ ] Receipts or a costed list of disability-related expenditure
- [ ] Lasting Power of Attorney, deputyship order or DWP appointee letter, if you act for them

What to do next

1. Request a care needs assessment, and a carer's assessment for the main carer.

2. Keep a one-week diary of needs before the assessment.
3. Ask for the council's charging policy and the financial assessment form.
4. Gather the documents above and list every disability-related cost.
5. Check the written assessment carefully and ask for a review within a few weeks if anything is wrong.
6. Claim Attendance Allowance or PIP if not already received; see How to reduce the cost of care.

How we can help

Day and Nightcare is a CQC-registered home care provider, rated Good, supporting people at home since 2008. We provide care funded by councils, including through direct payments, as well as privately funded care and NHS Continuing Healthcare. Our fully managed live-in care is available anywhere in England from £1,550 a week. We also offer 24-hour care with carers working in shifts anywhere in England, and home care visits, waking nights and sleep-ins across Oxfordshire. For a free initial assessment and a written quote, call 01865 715780 or contact us.

Useful contacts and next steps

- **GOV.UK: Find your local council.** Enter the postcode where the person lives to find the council responsible for their adult social care, then use that council's website or phone line to request a care needs assessment.

Common questions

Will the council pay for live-in care?

It can. If live-in care is how the person's eligible needs will be met, the council can fund it, either by arranging it or through a direct payment. The council may compare the cost of different ways of meeting needs, including a care home, and can take cost into account. But it should not set arbitrary upper limits on personal budgets that force someone into a care home against their wishes. If the budget offered will not cover the care in the plan, ask how it was calculated and request a review.

Can I refuse the financial assessment?

Yes. Nobody has to have a financial assessment, but if you decline one the council will usually treat the person as able to pay the full cost of their care. Where someone clearly has savings or property worth more than £23,250, the council may offer a 'light-touch' assessment instead, based on evidence such as a bank statement. You can always ask for a full assessment later, for example when savings are running down.

What if the person can no longer manage their own money?

The council must find out whether someone holds a Lasting Power of Attorney or Enduring Power of Attorney for property and financial affairs, a Court of Protection deputyship, or a DWP appointeeship, and work with that person. Someone with dementia should not be pressured into signing forms they cannot understand. If nobody has legal authority, a family member can apply to the Court of Protection to become a deputy, which takes some weeks.

Do family carers have to pay for their own support?

Not for care given to the person they look after. Councils have a power to charge carers for services provided directly to the carer, such as a class or practical help, but the statutory guidance warns that charging carers is often a false economy, so ask about your council's policy. A carer must never be charged for care given to the person they support, such as replacement care while they take a break. If that care is charged for, the person receiving it pays, through their own financial assessment.

Are the rules the same in Scotland, Wales and Northern Ireland?

No. This guide covers England only. Scotland provides free personal care for adults assessed as needing it, and Wales sets a maximum weekly charge for care at home. Northern Ireland has its own arrangements again. If the person lives outside England, contact their local council or health and social care trust and ask for the charging rules that apply where they live.

Sources and further information

- GOV.UK: Care and support statutory guidance (chapters 6, 8, 10, 11 and annexes B and C)
- GOV.UK: Social care charging for care and support 2026 to 2027 (local authority circular)
- legislation.gov.uk: Care and Support (Charging and Assessment of Resources) Regulations 2014, regulation 7

- GOV.UK: Benefit and pension rates 2026 to 2027
- Local Government and Social Care Ombudsman: make a complaint

Read next

PAYING FOR CARE AND REDUCING THE COST

How to reduce the cost of care: a guide for families in England

The main legitimate ways to reduce what you pay for care at home in England in 2026/27: NHS Continuing Healthcare, council funding and the means test, benefits, Pension Credit, council tax discounts, free reablement and equipment, grants, carers' support and direct payments.

Read the guide →

CHOOSING LIVE-IN CARE

Care assessments and care plans: what to expect

What happens at a council care needs assessment and at a care provider's assessment in England, how eligibility is decided, what a good person-centred care plan contains, risk assessments, reviews, and how the person stays in control of their own care.

Read the guide →

PAYING FOR CARE AND REDUCING THE COST

Direct payments and personal budgets: a guide for families

How personal budgets and direct payments work in England: who can get them, setting one up, using them with a care agency or for live-in care, employing a carer, paying family, adding your own money, record-keeping, reviews and audits, with wording you can use.

Read the guide →

All guides in the information centre **Check what help you could get**

Talk to our care team: 01865 715780

enquiries@dayandnightcare.co.uk · Out of hours: 07775 686272

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Information, not advice: please check anything important with the organisation named.