PAYING FOR CARE AND REDUCING THE COST

How to pay for live-in care: every funding route in England

Last updated 30 October 2026; sources last checked 30 October 2026.

IN BRIEF

Live-in care can be paid for privately, by the council through a personal budget or direct payment, by the NHS through Continuing Healthcare, or by a mix of these, and Attendance Allowance can go towards it whoever pays. The person's own home is not counted in the council's means test for care at home, and councils should not set arbitrary budget ceilings that force someone into a care home against their will.



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Live-in care is usually paid as one weekly fee for a carer who lives in the person's home. That fee can come from several places at once: the person's own money, benefits, the council and the NHS. The rules below apply in England from April 2026 to March 2027; in Scotland, Wales and Northern Ireland the rules differ.

The funding routes at a glance

Route	Means-tested?	What it can pay for	Where to start
NHS Continuing Healthcare	No	All care at home, including live-in care	Ask for a CHC Checklist
Council personal budget or direct payment	Yes	Care to meet eligible needs	Ask for a care needs assessment
Joint NHS and council package	The council's part is	A share of the care each	Ask the ICB and the council
Attendance Allowance or PIP daily living	No	Anything, including care	0800 731 0122 for Attendance Allowance
Pension Credit	Yes	Tops up weekly income	0800 99 1234
Own income and savings	Not applicable	Anything	Written quotes

Check the NHS first: if it should be paying, the rest matters much less.

Paying privately

Most people with savings above £23,250 pay for their own care at first. For care at home the council must ignore the value of the home the person lives in, so the real question is how long savings and income will last, not whether the house must be sold. Deferred payment agreements apply only to care homes.

Paying privately does not mean going without help:

- The council must still assess needs if asked, and for care at home it must arrange care on request. It may charge an arrangement fee, but only to cover its own costs.
- Free services still apply: reablement for up to six weeks, community equipment, and minor adaptations costing £1,000 or less.
- Attendance Allowance is paid whatever the person's savings.

Plan how long savings will last with Paying for care from savings and property, and contact the council about three months before savings are expected to fall to £23,250 (see When savings run low). Some families buy an immediate needs annuity, whose payments are free of income tax when paid directly to a registered care provider; this needs regulated financial advice.

Can the council pay for live-in care?

Yes, when live-in care is how the person's eligible needs will be met. The steps are a free care needs assessment, a care and support plan, and a financial assessment that works out the person's weekly contribution. The council's share can be arranged by the council or paid as a direct payment, which lets the family choose a CQC-registered live-in provider.

Councils can take cost into account, but the Care and Support Statutory Guidance limits how:

- **Paragraph 10.27:** a council may weigh up the total costs of suitable options, but it "should not set arbitrary upper limits on the costs it is willing to pay to meet needs through certain routes". The aim is the option that delivers the outcomes wanted for the best value, which "does not mean choosing the cheapest option".
- **Paragraph 11.22:** councils "should not have arbitrary ceilings to personal budgets that result in people being forced to accept to move into care homes against their will".
- **Paragraphs 11.24 and 11.25:** the personal budget must be sufficient to meet the needs in the plan and reflect the cost of good-quality local care, the council should explain how it was worked out, and you can challenge the amount.

The council may propose another way of meeting needs, such as visits by day and support at night. Ask it to show how that plan meets every need, day and night, and compare it with written live-in quotes. Be honest with yourselves too: if someone

needs two carers around the clock or constant nursing, a nursing home may meet their needs better.

Wording if the budget will not cover live-in care: "The care and support plan for [name] dated [date] says [he/she] needs [help with personal care through the day, help at night and supervision because of dementia]. The personal budget of £[amount] a week does not cover live-in care, which costs £[amount] a week from CQC-registered providers (quotes enclosed). Please explain how the budget was calculated and, in line with paragraphs 10.27, 11.22 and 11.24 of the Care and Support Statutory Guidance, review it so that it is sufficient to meet [his/her] needs at home, where [he/she] wishes to stay."

Can the NHS pay? Continuing Healthcare and personal health budgets



NHS Continuing Healthcare (CHC) is for adults whose needs are mainly health needs. It is not means-tested, and when an eligible person chooses to live at home, the integrated care board (ICB) is responsible for all their assessed health and associated social care needs. The NHS does not pay for rent, food or household bills.

- **No arbitrary limits on care at home.** The National Framework says ICBs can consider comparative costs but "must not set arbitrary limits on care at home packages based purely on the notional costs of caring for an individual in a home".
- **Personal health budgets.** People eligible for CHC have a right to a personal health budget. Taken as a direct payment for healthcare, it can pay a live-in provider the family chooses.

- **Joint packages.** If someone is not eligible for CHC but has some needs beyond what the council can meet, the NHS and the council can each fund part of the package, in any setting. The council's part is means-tested.

Live-in care for couples

One live-in carer can sometimes support both partners, which may cost less than two care home places. For council funding, each partner is assessed separately: the council has no power to assess a couple's joint resources, and jointly held savings are normally treated as split equally. The statutory guidance encourages councils to let people in the same household pool their personal budgets, so ask for this if both partners have eligible needs. See live-in care for couples.

VAT: managed provider or introductory agency

Care from a provider registered with the Care Quality Commission (CQC) is exempt from VAT. An introductory agency that only finds a carer for you charges a fee for arranging the care, and HMRC treats that fee as standard-rated, so a VAT-registered agency adds 20%. Compare quotes on the same basis: VAT, cover for the carer's breaks and holidays, food, travel at changeover, bank holidays and nights. With an introductory arrangement the family may also take on duties as an employer or hirer. See Managed or introductory live-in care.

The Pension Credit trap when a live-in carer moves in

People on Pension Credit who get Attendance Allowance, PIP daily living or the middle or highest care rate of DLA can receive an extra **£86.05 a week**, the severe disability addition. One condition in the State Pension Credit Regulations 2002 (Schedule I) is that no other adult "normally resides" with them, apart from certain people who are ignored. Those ignored include:

- a carer who lives with them to provide care and is engaged by a **charitable or voluntary organisation** that charges for that care;
- anyone, paid or a relative, who joins the household for the first time to care for them, but **only for the first 12 weeks**, and only if the addition was already being paid.

A carer placed by a private agency is not covered by the first rule, so after 12 weeks the addition can stop if the carer is treated as normally living there. Under these rules, people live together if they share accommodation other than a bathroom, lavatory or communal area. The regulations do not say how a carer who works on a rota and keeps a home elsewhere should be treated, so the Pension Service decides on the facts. Separately, the addition stops if someone is paid Carer's Allowance for looking after the person.

Before the carer starts, ask for a free benefits check (numbers below), and report the change: the Pension Service lists people moving in or out as something you must tell it about. Housing Benefit and Council Tax Reduction have their own severe disability rules, so check those too. See Pension Credit.

Other ways to keep the cost down

- Claim Attendance Allowance, or PIP daily living if under State Pension age.
- Ask for free reablement first after a hospital stay.
- Check council tax discounts, especially where someone has dementia.
- If the council charges, list every disability-related cost.
- Ask for an occupational therapy assessment before buying equipment.

Who to call

Checked on the official pages on 30 October 2026. For the DWP lines, Relay UK users dial 18001 first.

Who	Number	Open
Attendance Allowance helpline	0800 731 0122	Mon to Fri, 8am to 6pm
Pension Credit claim line	0800 99 1234	Mon to Fri, 8am to 6pm
Pension Service (report a change)	0800 731 0469	Mon to Fri, 8am to 6pm
Age UK Advice Line	0800 678 1602	Every day, 8am to 7pm

Who	Number	Open
Independent Age helpline	0800 319 6789	Mon to Fri, 8.30am to 5.30pm
Oxfordshire County Council social care	01865 519800	Mon to Thu 8.30am to 5pm, Fri 8.30am to 4pm

Elsewhere, call the adult social care team at the council where the person lives; GOV.UK's "find your local council" tool tells you which council that is from a postcode (link below).

What to do next

1. If health needs are significant, ask the GP or district nurse for a CHC Checklist.
2. Ask the council for a care needs assessment, and a carer's assessment for the main family carer.
3. Claim Attendance Allowance and check Pension Credit.
4. Get written quotes from CQC-registered live-in providers on the same basis.
5. Check the severe disability addition and council tax before the carer moves in.
6. If the council's budget will not cover the plan, ask how it was worked out and request a review.

How we can help

Day and Nightcare is a CQC-registered home care provider, rated Good, supporting people at home since 2008. Our fully managed live-in care is available anywhere in England from £1,550 a week, and we provide care funded privately, by councils (including direct payments) and by NHS Continuing Healthcare. After a free initial assessment we give a written quote you can share with the council or the NHS. 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

Do we have to sell the house to pay for live-in care?

No. When care is provided in the person's own home, the council must ignore the value of that home in its financial assessment, however much it is worth. Only savings, investments and any other property count. The home can come into the means test after a permanent move into a care home, which is one reason some families choose live-in care. If savings are used up, the council can start to contribute and the person keeps their home.

Can Attendance Allowance be used to pay for live-in care?

Yes. Attendance Allowance (£76.70 or £114.60 a week in 2026/27) is not means-tested and can be spent however the person chooses, including on care. It carries on while someone is cared for at home, including by a live-in carer. If the council helps pay for the care, it can count the allowance as income in its financial assessment, but it must leave the person enough to pay for disability-related costs it is not meeting.

Can the family pay extra so the council funds the live-in provider we want?

Yes. The statutory guidance recognises that a person, or someone on their behalf, can make an additional payment, often called a top-up, to secure the care they choose where it costs more than the council would pay. The extra is not part of the personal budget. First check that the budget itself is sufficient, then agree any top-up with the council in writing, including what happens if fees rise or the person paying can no longer afford it.

Can the NHS fund live-in care at the end of life?

It can. If someone's condition is deteriorating quickly and they may be entering a terminal phase, a doctor or nurse can complete the Fast Track Pathway Tool, which leads straight to NHS Continuing Healthcare without the usual full assessment. The National Framework says the care package should not usually take more than 48 hours to arrange after the completed tool is received. Care in the person's own home, including live-in care, can be funded this way.

Is care after a Mental Health Act detention free?

Yes. If someone was detained under section 3 of the Mental Health Act 1983, or under sections 37, 45A, 47 or 48, the NHS and the council must provide their aftercare free of charge under section 117 once they leave hospital, until both agree it is no longer needed. The statutory guidance lists this among the services that must never be charged for. If you have been charged for section 117 aftercare, ask the council and the integrated care board to review it.

Sources and further information

- GOV.UK: Care and support statutory guidance (chapters 8, 10 and 11, annex B)
- GOV.UK: National framework for NHS continuing healthcare and NHS-funded nursing care
- NHS: NHS continuing healthcare
- legislation.gov.uk: State Pension Credit Regulations 2002, Schedule I
- GOV.UK: Pension Credit, what you'll get
- GOV.UK: Welfare services and goods (VAT Notice 701/2)
- legislation.gov.uk: Mental Health Act 1983, section 117

Read next

PAYING FOR CARE AND REDUCING THE COST

Council funding for care: assessments, means test and charges

How council funding for care works in England in 2026/27: the free care needs assessment, who is eligible, the financial assessment for care at home (£23,250 and £14,250 limits, minimum income guarantee, disability-related expenditure), what is ignored, top-ups and how to challenge.

Read the guide →

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NHS Continuing Healthcare: a guide for families

A plain-English guide to NHS Continuing Healthcare in England: who qualifies, the Checklist, the Decision Support Tool and its 12 domains, Fast Track, care at home including live-in care, reviews, appeals with template letters, retrospective claims and how to prepare evidence.

Read the guide →

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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
Day and Nightcare Live In Limited, 9 Hollow Way, Cowley, Oxford OX4 2NA
CQC overall rating: Good (report published 20 April 2018)

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