PAYING FOR CARE AND REDUCING THE COST

When savings run low: moving from self-funding to council help

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

IN BRIEF

Contact the council about three months before savings are expected to fall to £23,250, because councils fund care from the date you contact them, not from the date the money ran low. The council will assess needs and finances, agree a personal budget and then pay its share. Live-in care can continue when it is the right way to meet the person's needs, and a direct payment can let you keep the same provider.



IN THIS GUIDE

1. When to contact the council
2. Working out the date
3. What to say to the council
4. What happens next
5. What happens to live-in care
6. Keeping the same provider
7. Spending wisely as savings fall
8. Benefits to check as savings fall
9. Documents to have ready
10. If you disagree with the council
11. What to do next
12. How we can help
13. Common questions
14. Sources and further information

Many families pay for care at home from savings for months or years before the money starts to run low. The move to council help goes smoothly when it is planned, and badly when nobody calls until the money has gone. This guide covers England in 2026/27.

When to contact the council

The NHS advises contacting the council **about three months before** you expect savings to drop below £23,250, and warns that councils provide funding from the date you contact them: you will not be reimbursed for weeks when savings were already below the limit before you got in touch. The statutory guidance also asks councils to plan ahead for people approaching the limit.

"Savings" here means the person's own capital that the council counts, such as bank accounts and investments (see the questions below for the home and couples).

Working out the date

1. **Weekly cost of care**, from the provider's invoices.
2. **Weekly income**: pensions, Attendance Allowance and any other income.
3. **The weekly gap**: cost minus income, plus household bills paid from savings.
4. **Weeks left**: savings above £23,250 divided by the weekly gap.
5. **Contact date**: about 13 weeks before the end of that period.

Example: Peter has £60,000 in savings. His live-in care costs £1,550 a week and his income, including Attendance Allowance, is £400 a week, so the gap is £1,150 a week before household bills. (£60,000 − £23,250) ÷ £1,150 = about 32 weeks. His family should contact the council by around week 19.

Between £14,250 and £23,250 the person still pays something from savings: £1 a week for every £250, or part of £250, above £14,250 is added to their income. Below £14,250, savings are ignored.

What to say to the council

Email or letter: "I am writing about [full name, date of birth, address]. [He/She] pays privately for care at home, currently [live-in care / x hours a week] costing £ [amount] a week. [His/Her] savings are expected to fall to £23,250 by [month].

Please arrange a care needs assessment, or a review of the existing one, and a financial assessment, so that council support can start without a gap. I enclose recent statements and details of [his/her] income and care costs. Please treat the date of this letter as the date of our request, and tell me how long the assessments are likely to take."

Keep a copy, and note the date of any phone call and the name of the person you spoke to.

What happens next

1. **Needs assessment.** The council assesses, or reviews, the person's care needs. Make sure it records every need, day and night.
2. **Financial assessment.** It works out the person's weekly contribution; see Financial assessment for care at home.
3. **Care and support plan and personal budget.** The plan sets out how needs will be met and what that costs.
4. **How the council's share is paid.** The council arranges the care, pays it as a direct payment, or a mix of the two.
5. **The person pays their assessed contribution**, to the provider, the council or into the direct payment account, depending on the arrangement.

Keep paying for care as before until the council confirms its arrangements in writing.

What happens to live-in care



The council must meet eligible needs, but it decides how, and it can take cost into account. The Care and Support Statutory Guidance sets limits on that:

- It may compare the total cost of suitable options, but "should not set arbitrary upper limits on the costs it is willing to pay", and the right option "does not mean choosing the cheapest" (paragraph 10.27).
- It "should not have arbitrary ceilings to personal budgets that result in people being forced to accept to move into care homes against their will" (paragraph 11.22).
- The personal budget must be sufficient to meet the needs in the plan and based on the cost of good-quality local care, and you can challenge it (paragraphs 11.24 and 11.25).

The council might suggest another way to meet needs, such as daytime visits and night support instead of a live-in carer. Ask it to show how its plan would meet every need, including at night, and send written live-in quotes. If needs can genuinely be met as well another way for less, the council can choose that, and you can then decide whether to add your own money. If live-in care is the only way to meet the needs at home, say so with evidence.

Keeping the same provider

Continuity matters, especially for someone with dementia. Ways to keep the same carers:

- **A direct payment.** The person, or someone acting for them, receives the council's share and goes on paying the current provider. If this costs more than the council would pay elsewhere, the guidance asks the council to look at the outcomes and value for money, not just the price (paragraphs 11.26 to 11.28).
- **The council contracts with your provider**, if the provider accepts the council's terms.
- **A top-up.** The person, or someone on their behalf, can pay the difference to secure the care they choose where it costs more than the council would pay (paragraph 11.14). The top-up is not part of the personal budget. Agree it in writing, and think about whether it is affordable for as long as care may be needed.

Ask your provider early whether it accepts council funding and direct payments, and what would change.

Spending wisely as savings fall

- Paying for care and normal living costs is exactly what savings are for.
- Repaying a genuine debt is not deprivation of assets.
- Keep receipts for every large payment.
- Before any large gift, read Deprivation of assets and gifting.

Benefits to check as savings fall

- **Pension Credit:** the first £10,000 of savings is ignored and there is no upper limit, so check it as income and savings change. Call 0800 99 1234 (Monday to Friday, 8am to 6pm). See Pension Credit.
- **Housing Benefit and Council Tax Reduction**, if income is low.
- **Attendance Allowance**, if not already claimed: call 0800 731 0122 (Monday to Friday, 8am to 6pm).

Documents to have ready

- [ ] Bank, building society and investment statements for the last few months
- [ ] Pension and benefit award letters for 2026/27
- [ ] The provider's invoices and contract
- [ ] Council tax bill, and rent or mortgage details
- [ ] A list of disability-related costs, with receipts
- [ ] Receipts for any large payments or gifts in recent years
- [ ] Lasting Power of Attorney, deputyship or DWP appointee papers, if you act for the person

If you disagree with the council

Ask for decisions in writing, ask how the personal budget was calculated, and request a review. If that does not resolve it, use the council's complaints procedure, normally within 12 months, and then the Local Government and Social Care Ombudsman (0300 061 0614; Monday, Tuesday, Thursday and Friday 10am to 1pm, Wednesday 1pm to 4pm), which also looks at complaints from people who fund their own care. Free advice: the Age UK Advice Line on 0800 678 1602 (every day, 8am to 7pm) or Independent Age on 0800 319 6789 (Monday to Friday, 8.30am to 5.30pm). In Oxfordshire, the council's social care team is on 01865 519800 (Monday to Thursday 8.30am to 5pm, Friday 8.30am to 4pm).

What to do next

1. Work out the weeks left using the steps above, and diary the contact date.
2. Ask your provider whether it accepts council funding and direct payments.
3. Write to the council about three months ahead, and keep a copy.
4. Gather the documents and list every disability-related cost.
5. Check Pension Credit and council tax help.
6. Keep paying for care until the council's arrangements are confirmed in writing.

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 privately, by councils (including direct payments) and by NHS Continuing Healthcare. Our fully managed live-in care is available anywhere in England from £1,550 a week, with a written quote after a free initial assessment. Call 01865 715780 or contact us.

Common questions

Does the house count once savings run low?

Not for care at home. The value of the home the person lives in is ignored in the council's financial assessment for care at home, so it does not matter how much the house is worth. Only savings, investments and any other property count. The home can be counted if the person later moves permanently into a care home, although there are exceptions, for example while a partner still lives there.

What happens when savings fall below £14,250?

Savings below £14,250 are ignored completely, so tariff income stops and the charge is based only on income. The person still pays whatever their income allows above the minimum income guarantee, after housing costs and disability-related expenditure. Councils can set more generous limits for care at home, so check the local charging policy, and ask for a reassessment when savings cross the £14,250 line.

Will we have to pay the council back later?

No, not for care at home. The council's share is not a loan. The person pays the weekly charge set by the financial assessment, and the council can only recover charges that were due and not paid, or act if it finds that assets were deliberately given away to avoid charges. Deferred payment agreements, which are repaid later from the value of the home, are used for care homes, not for care at home.

Can we spend money on the home or a car before savings run out?

Spending on things the person genuinely needs, at a fair price, is normally fine, and people are free to spend their own money. But if the council thinks a large purchase or gift was made mainly to bring savings below the limit at a time when care was needed, it can treat the person as still having that money. Keep receipts and a note of why each large item was bought.

Whose savings count if Dad lives with a partner?

Only Dad's. The council has no power to assess a couple's joint resources, so his partner's own savings are not counted. Money in joint accounts is normally treated as split equally, so half of a joint balance counts as his. This means a couple's combined savings can be well above £23,250 while the person needing care is already below the limit, so check each person's share.

Sources and further information

- NHS: Paying for your own care (self-funding)
- GOV.UK: Care and support statutory guidance (chapters 8, 10 and 11, annexes B and E)
- GOV.UK: Social care charging for care and support 2026 to 2027 (local authority circular)
- GOV.UK: Pension Credit eligibility
- Local Government and Social Care Ombudsman: make a complaint

Read next

PAYING FOR CARE AND REDUCING THE COST

Paying for care from savings and property: a family guide

How self-funding care works in England in 2026/27: planning a care budget, how the home is treated for care at home versus a care home, deferred payment agreements, equity release and care annuities, gifts and deprivation of assets, and where to find regulated advice.

Read the guide →

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 →

PAYING FOR CARE AND REDUCING THE COST

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

The main ways to fund live-in care in England in 2026/27: self-funding with the home disregarded, Attendance Allowance, council personal budgets and direct payments, NHS Continuing Healthcare and personal health budgets, joint packages, couples, VAT on agency fees and the Pension Credit trap.

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)

The latest version of this page: **www.dayandnightcare.co.uk/guides/when-savings-run-low/**

This PDF was made on 1 November 2026.

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