Welsh Parliament
**Senedd Research**

# Paying for care and support services (adult social care)

## A guide for constituents

July 2026

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## Paying for care and support

Whether you need to pay for social care services, and how much, can be confusing. This guide takes you through the process used for deciding when and how much you pay for social care services. It also signposts to other useful sources of help and support.

The following information is based on the **Social Services and Well-being (Wales) Act 2014** and the Welsh Government's **Code of Practice** on charging and financial assessments that local authorities **must** follow. The Code of Practice includes further detailed information on specific circumstances.

The majority of people who require care and support will have to contribute to the cost of services they receive. Local authority charges are means-tested and take account of income, savings and certain living costs, with national rules setting maximum charges and protecting a minimum level of income.

This guide gives information on how the charging system operates for residential care, Continuing NHS Healthcare, NHS-funded nursing care and non-residential care.

# Contents

# 1. The financial assessment

## When a local authority decides to charge for providing or arranging care and support, it must carry out a financial assessment of the person receiving the care and support.

As part of the financial assessment, the local authority looks at your **savings/capital** (e.g. property) and **income** (e.g. pensions) to work out how much you can afford to reasonably pay towards your care and support. The financial assessment will also determine if you are eligible for financial help from the local authority towards your care and support, and how much.

A financial assessment is required whether your care **needs assessment** shows that residential care (a care home placement) or non-residential care and support is the best option for you.

The financial assessment can only take into account the finances of the person being assessed. If you have savings/capital or income as part of a couple, it is generally assumed that each person has an equal share.

A local authority can assess the savings/capital or income of a couple but only where this is financially of more benefit to the person being assessed. More information on this is set out in Section 5.3 and pages 34 and 35 of the **Code of Practice**.

Once the financial assessment has been completed, a local authority must set out in writing how much you need to pay towards your care and support.

If your financial circumstances change, a local authority must reassess your ability to pay for your care and support.

If you have care and support needs, you can generally spend your income and use your savings/capital however you want to, including giving gifts to friends and family. However, you should not try to deliberately avoid paying for care and support through **depriving yourself of your capital or income** (intentionally reducing your assets). If a local authority believes it has evidence to support that this has happened, and if it thinks it appropriate, it can look to recover costs.

# 2. Residential care

## For residential care, your savings/capital (e.g. property) and income (e.g. pensions) will normally be taken into account in the financial assessment.

### Capital

The local authority will look at how much capital you have. In most cases, the main examples of capital taken into account include property/land, bank or building society accounts, National Savings accounts, Premium Bonds, and stocks and shares.

Pages 26-29 of the **Code of Practice** set out what types of capital should be ignored in the financial assessment and also how investment bonds should be taken into account.

There is a financial limit, known as the '**capital limit**', which sets out when you are eligible for financial help from the local authority to meet your assessed needs.

The capital limit is set in **Charging Regulations**. The current capital limit is **£50,000.**

- If your capital is **at or below the capital limit of £50,000**, it must be disregarded in the financial assessment and the local authority will contribute towards the cost of your care**.** You may still be expected to contribute to your care costs from your **income** (further information on income is set out below).
- If you have **capital over £50,000** it is likely that you will be expected to pay the full costs of your residential care.

If you are expected to pay all of the costs of your residential care yourself (known self-funding), you can still ask the local authority for advice and to arrange your care and support for you.

If your capital is dropping towards the capital limit, a local authority should carry out an assessment as soon as it is reasonably able to.

When your capital falls below the £50,000 limit, you should then start to receive financial help from the local authority for your care home fees, and you should only be required to contribute from your income.

## When the value of property isn't taken into account

The Code of Practice states that the financial assessment should **not** take into account the value of your property when you are in residential care and the home is still occupied in part or whole as the main or only home by any of the people listed below:

i) your partner, former partner or civil partner, except where you are estranged or divorced;

ii) a lone parent with a dependent child who is your estranged or divorced partner;

iii) a relative or member of your family who is: (1) aged 60 or over, or (2) a child of the resident aged under 18, or (3) incapacitated. Definitions are given for 'relative' and 'family' on pages 30-31 of the **Code of Practice**.

The above only applies where the property has been continuously occupied since before you went into a care home.

There are also situations where the value of your main or only home must be ignored in a financial assessment if you are temporarily receiving care and support in a care home.

The value of your main or only home must be ignored for the first 12 weeks where the value of any of your other capital is below the capital limit. The **Code of Practice** provides further details on this and also sets out other specific circumstances where capital assets should be ignored for a set period of time.

## Income

During the financial assessment, a local authority must take into account your **income,** which can include pensions, annuity and investment bonds and some welfare benefits. However **earnings from employment must be ignored** when working out how much you are able to pay.

Annex B of the **Code of Practice** sets out detailed information on what income is taken into account and what is ignored during a financial assessment.

## Minimum Income Amount

If you are in residential care and you have capital at or below the capital limit, you will contribute most of your income (excluding earnings) towards the cost of your care and support. However, a local authority must make sure you have a specific amount of your own income to spend on personal items such as clothes. This is known as the '**minimum income amount'**. This is in addition to any income you receive from earnings.

The minimum income amount is reviewed annually and can be found on **the Welsh Government website**.

## Top-up fees

Where the assessment process has decided that a care home will best meet your needs, you have a right to choose your preferred accommodation (subject to certain conditions).

The local authority is required to have more than one option of accommodation available within the standard amount it usually pays for residential care. If there is no suitable accommodation available that meets your assessed needs within the standard amount, the local authority must arrange a more expensive care home that is suitable and adjust its contribution to the funding. In this situation, the local authority must not ask you or a third party to pay the extra cost.

Sometimes, a person chooses a care home that costs more than the local authority would normally pay for someone with their assessed needs. If you are in this situation, the local authority should make arrangements for you to move to your chosen care home, but only if someone else, or in some circumstances you, can make up the difference between what the local authority would usually pay and the care home's fees. This third-party contribution is known as 'top-up fees'.

Top-up fees will need to be paid for the length of time you are in the care home and should the additional cost not be met, you may need to move to an alternative care home.

## Deferred payments

As part of a deferred payment agreement, if your property has been taken into account in your financial assessment, you can defer or delay paying some or all of your care costs until a later date so you do not need to sell your property as soon as you move into a care home. Local authorities must offer a deferred

payment agreement to people who meet certain eligibility criteria. Further details on deferred payment agreements, including eligibility are set out in Annex D of the **Code of Practice**

# 3. Continuing NHS Healthcare

## Continuing NHS Healthcare (CHC) is a package of ongoing care and support that is arranged and fully funded by the NHS. You will be eligible for CHC if your Local Health Board assesses you as having a primary health need.

The information below is based on the Welsh Government's **National Framework for Continuing NHS Healthcare**, which sets out the process that the NHS and local authorities must follow when deciding your eligibility for CHC.

Where it appears that a person may be eligible for CHC, the local health board is responsible for ensuring that a CHC assessment is carried out. Local authorities should alert the NHS where it seems that a person's needs may meet the criteria for CHC.

### How eligibility is decided

Eligibility for CHC does not depend on a particular illness, diagnosis, disability or condition. CHC can be provided in any setting including your home or in a care home.

To decide whether you have a **primary health need**, your overall needs are considered together, using four key characteristics:

- **Nature** – the type of needs a person has (for example physical, mental health or psychological needs), and how those needs affect them day to day.
- **Intensity** – how serious the needs are and how much ongoing care is required.
- **Complexity** – how different needs interact and whether this makes care difficult to plan or manage.
- **Unpredictability** – how changeable the needs are and the level of risk if care is not provided promptly or appropriately.

These characteristics are considered as a whole. No single factor automatically determines eligibility.

## What CHC covers

If a person is eligible for CHC, **the NHS is responsible for funding all of their assessed care needs**. This includes accommodation, care and support costs where the person lives in a care home (usually one which provides nursing care).

Where CHC is provided in a care home, the NHS contracts directly with the care provider. **Local authority charging rules do not apply** while a person remains eligible for CHC, and the person should not be charged for their care.

## Fast Track Continuing NHS Healthcare

There is a fast-track process for people who have a rapidly deteriorating condition and may be approaching the end of their life. In these situations, CHC support should be put in place quickly, without delay, where appropriate.

## If CHC is refused or withdrawn

If a person is found not eligible for CHC, or if an existing CHC package is withdrawn following review, they have the right to:

- ask for an explanation of the decision; and
- request a review or appeal through NHS Wales procedures.

Where CHC is not granted, the local authority may then assess whether the person is eligible for financial support with social care, under the usual charging rules.

# 4. NHS-funded nursing care

## If your assessment determines that you are not eligible for fully funded CHC, you may be eligible for NHS-funded nursing care, if you need certain services from a registered nurse. This will be decided as part of the CHC assessment process.

Nursing homes employ registered nurses to provide nursing care to those who need it. The NHS makes a payment directly to the care home to fund this nursing care.

The NHS-funded nursing care contribution only covers the cost of providing your registered nursing care and not your general personal care. The NHS-funded nursing care contribution will only meet some of the total care home fees and the remaining fees will need to be paid for by you, or with help from the local authority.

The Welsh Government has published a **public information leaflet**, which provides information on CHC and NHS-funded nursing care, including what aspects of care can be dealt with by a registered nurse.

# 5. Non-residential (domiciliary) care

## A needs assessment may determine that you can stay in your own home with social care services provided to support you. This is usually referred to as non-residential care or domiciliary care.

The financial assessment for non-residential care will normally take into account your **savings/capital and income** and will determine whether you pay the full amount for your care and support, or less.

### Maximum charge

If you are receiving care and support at home, local authorities must not charge you more than a weekly maximum charge for all of the services you receive. The maximum weekly charge is currently **£100 per week** and is set in the **Charging Regulations**. This amount can change from time to time.

### Capital

As with residential care, the financial assessment will look at how much capital you have. Pages 26-29 of the **Code of Practice** set out what types of capital should be ignored in the financial assessment and also how investment bonds should be taken into account.

The **capital limit** for non-residential care and support is set in the **Charging Regulations** and is currently **£24,000** (not including the value of your home). This amount can change from time to time.

If you are receiving non-residential care and support at home or in the community, the value of your **main or only home must be ignored** where capital is taken account of in a financial assessment.

If you have capital **at or below £24,000**, this should be ignored in full by the local authority in the financial assessment, and when deciding how much you will have to contribute towards your care services, the authority will look only at your income.

If you have capital **above the £24,000 capital limit**, the local authority can charge the maximum amount for the services it provides.

If you have capital above the capital limit, you can ask your local authority to arrange your care and support for you. However, you will be asked to pay the full cost up to the weekly maximum charge for non-residential care and support, until the value of your capital is at or below the level of the capital limit.

## Income

The financial assessment will also take into account your **income**. However **earnings from employment must be ignored** when working out how much you can pay.

Annex B of the **Code of Practice** sets out detailed information on what income is taken into account and what is ignored during a financial assessment. This includes information on welfare benefits, annuity, pensions and investment bonds.

## Minimum income amount

If you receive care and support at home, you will need enough money to pay for living costs such as rent, food and utilities. The Code of Practice states that local authorities must make sure that your income does not fall below a specified amount after charges have been deducted for non-residential care and support.

This is referred to as the **'minimum income amount'** and must be at least the equivalent of the value of your 'basic entitlement' to a relevant welfare benefit plus a minimum 'buffer' of 35% of this. This minimum income amount must also include at least a further 10% of a person's "basic entitlement" to a relevant welfare benefit to allow for disability related expenditure. Further details are provided on page 44 of the **Code of Practice.**

# 6. The option of direct payments

## Direct payments are monetary payments made by local authorities or local health boards to people with eligible needs, allowing them to arrange their own care and support instead of having services arranged on their behalf.

Direct payments can be used to:

- employ a personal assistant;
- buy care and support from an agency; or
- arrange other support that meets your assessed needs.

Local authorities must provide information, advice and support to help you decide whether direct payments are right for you and to help you manage them. The Welsh Government's **Code of Practice on meeting needs** sets out further information about direct payments.

Since April 2026, if you are eligible for Continuing NHS Healthcare (CHC), you may be offered the option of receiving your CHC funding as a direct payment.

A CHC direct payment can give you more flexibility over how your care is arranged, providing it meets your assessed health needs and agreed outcomes. For example, it may allow you to:

- employ care staff directly; or
- arrange services in a way that better fits your daily routines.

Not all types of NHS services can be funded through CHC direct payments, and the health board must be satisfied that a direct payment is appropriate and safe. You should be given information about your options and supported to make an informed choice. The Welsh Government's **guidance on direct payments for Continuing NHS Healthcare** provides further information.

# 7. Reviewing/challenging assessment decisions

### Local authority decisions

## You can ask for a review of a charge made by a local authority if you think it is incorrect.

Annex E of the **Code of Practice** gives information on the process to be followed in these circumstances.

If you disagree with a charge or believe your financial assessment is wrong, you can:

- ask the council for a written explanation of how the charge was calculated;
- request a review or reassessment of the financial assessment; and
- make a complaint using the council's social services complaints procedure.

If you remain dissatisfied, you may also be able to refer the matter to the **Public Services Ombudsman for Wales.**

### Local health boards (LHBs)

## If you don't agree with a LHB decision relating to CHC or NHS-funded nursing care, you have the right to make an appeal.

You must inform the LHB of your intention to appeal within 28 days of the date you were told of the eligibility decision. You must submit your written appeal to the LHB within 6 months of the date you were told of the eligibility decision.

There are two stages in the appeals process – a local review stage and an Independent Review Panel stage.

The review does not cover the content of care plans, but you can request a review about:

- the procedure followed in reaching your CHC eligibility decision; or
- the application of the criteria for eligibility – i.e. the 'primary health need' test and whether this has been applied in a correct and consistent manner.

You may also take your case to the **Public Services Ombudsman for Wales** if you remain unhappy following a review.

If you feel that you, or someone you care for, were eligible for CHC during a period of time when you were paying for care, you can also ask for a **retrospective review** to get the care fees reimbursed. The LHB is responsible for current and retrospective review cases, and should have a designated contact person for these matters.

You may have reason to believe that you should have met the eligibility criteria because:

- the LHB carried out an assessment in the past, but there is evidence that the criteria were not applied appropriately; or
- it should have been reasonably apparent to the NHS at the time that you might be in need of CHC services, but the LHB failed to arrange and carry out an assessment.

There is currently a rolling cut-off date for submitting your retrospective review. You have to make your claim within 12 months of the end of the period you are claiming for.

Further information on appeals and reviews is available in the Welsh Government's **public information leaflet** on CHC.

# 8. Other sources of information and support

- **Senedd Research** guide for constituents: **Accessing care and support services (adult social care)**
- **Senedd Research** guide for constituents: **Making a complaint about health and social services in Wales**
- **Senedd Research** guide for constituents: **Home aids and adaptations**
- **Short Breaks Scheme Wales** - A Welsh Government funded scheme which offers funded short break options for unpaid carers across Wales. You can search for opportunities in your area and apply directly to the local schemes. Website: **www.shortbreaksscheme.wales**.
- **Llais** - an independent statutory body providing a free, independent, and confidential **advocacy service** for those raising a complaint about health and social care services. Tel: 02920 235 558. Email:enquiries@llaiscymru.org. Website: **www.llaiswales.org.**
- **Age Cymru Advice** – the national charity for older people. Advice line: 0300 303 44 98. Email: **advice@agecymru.org.uk**. Guides and detailed factsheets are available on the website: **https://www.agecymru.wales/information-advice/information-guides-and-factsheets/**
- **Local Age Cymru organisations** – five regional organisations across Wales provide advice and support on a range of issues, as well as direct services. For more information go to: **https://www.agecymru.wales/our-work/in-your-area/**
- **Local Age Connects organisations** – six local, independent Age Connects organisations across Wales. The local Age Connects provide a range of services including information and advice. For more information go to: **https://www.ageconnectswales.org.uk/information-and-advice**
- **Mencap Cymru** – "the voice of learning disability in Wales", provides information and advice guides on its website:

**https://wales.mencap.org.uk/information-and-support**. And the Wales learning disability helpline: 0808 8000 300.

- **Citizens Advice** – a national network of free local advice centres across Wales offering confidential and independent advice. Website: **https://www.citizensadvice.org.uk/wales/**
- **Older People's Commissioner for Wales** - the independent champion for older people across Wales. Tel: 03442 640670. Email: ask@olderpeoplewales.com. Website: **www.olderpeoplewales.com**.
- **Public Services Ombudsman for Wales** – the independent Ombudsman has legal powers to look into complaints about public services and independent care providers in Wales. Tel: 0300 790 0203. Email: ask@ombudsman.wales. Website: **www.ombudsman.wales**.
- **Public Services Ombudsman's search tool** of advice and advocacy bodies across Wales: **https://www.ombudsman.wales/advice-advocates/**