

Care Homes Briefing

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Solicitors

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Personal Expenses Allowance and charging for residential care

The Department of Health have recently announced that the Personal Expenses Allowance (PEA) will rise to £21.90 per week in April 2009. Because of limited resources it has not been possible to increase PEA by more than the annual uprating.

Where a local authority places a person in residential care it is required to carry out a financial assessment and charge them such sums as they are assessed as being able to pay. However, the local authority assessment has to leave the individual with a weekly PEA to enable them to spend money as they wish, for example on toiletries and presents for friends.

It had been hoped that the level of PEA could be significantly increased but the latest announcement has made it plain that this is not possible.

Background: - Charging for residential care

Individuals with less than £22,250 may seek financial

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help from social services. The local authority are required¹ to assess what an individual can afford to pay and charge them accordingly. This is assessed using the National Assistance (Assessment of Resources) Regulations 1992. Further guidance is available to local authorities from the Charges for Residential Accommodation Guide (CRAG). CRAG is intended to encourage a consistent and fair approach.

When undertaking the assessment, capital assets and income are taken into account. Individuals with £13,500 or less have this sum disregarded. However, the value of the resident's former home is only disregarded for the first 12 weeks after admission into a care home or if the property continues to be the home of a spouse or certain relatives. The local authority also has a discretion to disregard the value of a resident's home if it is occupied as a home by a former carer or certain other types of person.

Where an individual requires nursing care this is paid for by the NHS. However, where a resident is funded by local authorities, most of their assets and income are used to contribute to that, subject to the weekly PEA.

For more information on Care Home Law contact Andrew Parsons at RadcliffesLeBrasseur on 020 7222 7040, or email: andrew.parsons@rlb-law.com.

Out of office emergency advice available 24hrs on 07802 506 306.

Readers are advised to take specific advice before acting in reliance on the matters set out in this briefing.

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