

How to Fund Care

Thinking about residential or nursing care for yourself or a loved one can be a daunting prospect. One question that can cause particular concern is how to fund the care that's required.

The good news is that assistance and advice is available. What's more, with careful financial planning, it is possible for a wide range of people to access the exceptional care we offer at Cramond Residence.

USING YOUR HOME TO FUND YOUR CARE

Cramond Residence offers a far superior level of care compared to our main competitors. This exceptional care is accessible to a wide range of people because, with careful financial planning, it is possible to unlock the funding required and so access the quality of care you or a loved one deserve.

EQUITY RELEASE

As long as someone is still living in your property you can release funds from it using a lifetime mortgage or home reversion plan.

PROPERTY RENTAL

Letting a property can generate a significant monthly income; it also means that you retain ownership of your property. Remember to take account of bills, maintenance and periods when you might not have tenants. It is unlikely that letting will generate enough income to fully cover care home fees, so you will probably need other sources of income such as savings, pensions and investments.

PROPERTY SALE

Selling can provide a significant capital sum that can be drawn on to pay care home fees. It can also be invested to provide an ongoing income. Selling means that you will have funds readily available and you will not have to worry about the maintenance or upkeep of your property.

When thinking about using your home to fund care it is vital to speak to expert financial advisors and to use a professional property letting or sales company. Cramond Residence has strong links with Rettie & Co., a trusted name in Scottish property circles. If you use its services you can be sure that you'll be in a safe pair of hands.

LOCAL AUTHORITY SUPPORT

Local authority financial support is available for care home fees in Scotland for those who qualify. In 2021, assistance is available for those whose savings and assets are worth less than £28,500. The amount of support provided will depend on the specific financial circumstances of the person going into care.

Local councils set standard rates for the amount that they'll pay towards care home fees. If you get local authority support, you can still choose to stay in a care home that charges more than this standard rate. But you will have to pay a 'top-up fee' to meet the difference.

Whatever your financial circumstances, you will receive support if you are assessed as needing personal care and/or nursing care. In 2021, local authorities in Scotland are providing personal care funding of £193.50 (per week) and nursing care funding of £87.10 (per week). This money is paid directly to the residential care provider.

To receive any local authority benefits, you will have to ask your local authority for a financial assessment. This will provide a number of additional benefits. It will highlight if you or your family are eligible for any other types of benefits. It will also make it easier to get extra help, should your financial situation change in the future.

Remember that the value of your main home is disregarded from any local authority assessment of your assets for as long as your partner remains living in it.

FINANCIAL PLANNING

If you have assets above £28,500, you will have to fund your care homes fees yourself. There are many ways to do this and, with careful financial planning, it may be possible to structure your finances in such a way that your care fees can be paid indefinitely, while you still preserve capital for your beneficiaries.

To find the best solution for your funding needs it is a good idea to speak with a specialist financial advisor. Many advisors specialise in this area and provide free initial consultations. The Society of Later Life Advisers is a good place to look for a suitably experienced, specialist later-years financial adviser.

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When you talk to your financial advisor, they will explore the full range of funding options open to you. These may include:

INCOME

Once you've looked at your financial situation, you may find that you have enough to pay for your care directly from your pension(s) and other sources of income.

SAVINGS

You can use your savings to pay for care, including money held in Cash Individual Savings Accounts (ISAs) and National Savings. Remember to plan ahead to see how long any savings will last.

INVESTMENTS

You can invest your savings, or the proceeds of an asset sales, in a wide range of options including equities, investment bonds, unit trusts and shares. The returns that these investments deliver can be used to pay for care.

CARE FEE PLANS

A Care fee plan (also known as an immediate needs annuity) is a specialist insurance product that provides a guaranteed income for life which is paid direct to the care home.

FAMILY CONTRIBUTIONS

Your family may be in a position to help you pay for some or all of your care home fees.

PROPERTY SALES, LETTING OR EQUITY RELEASE

There are a number of ways to use property to fund care. See the section above for more details.

USE RESPITE CARE AS A CHANCE TO GET YOUR FINANCES IN ORDER

At Cramond Residence we require evidence that you'll be able to fund your full-time residential care for three years. If you need to take any major steps to secure this funding (e.g. the sale or rental of a property) then we understand that this may take time.

One option is to come into the home for short-term respite care while you get your long-term finances in order. This will also give you the opportunity to see if Cramond Residence is for you.

WHY OUR FEES REPRESENT EXCELLENT VALUE

At Cramond Residence, we provide the highest standard of care and accommodation to all our residents. We also provide a much more comprehensive and luxurious service than our main competitors. Because of this, you will not have to find extra money for a whole range of added extras.

When you move into Cramond Residence, all of your major costs will be covered and you won't need to worry about the bills that can make running your own home so expensive.

This is one of the reasons why moving into a care home is often much more cost effective than remaining in your own property and getting carers to come in to look after you. Not only do you have to meet the costs of this care, but you also have to keep your house running and pay all your day-to-day bills.

USEFUL LINKS:

<https://societyoflaterlifeadvisers.co.uk/>

The Society of Later Life Advisers can help you with all later life financial matters.

<https://www.cas.org.uk/pass>

The Patient Advice and Support Service (PASS) is part of the Citizens Advice Bureau. It provides advice and assistance regarding available support options.

www.careinfoscotland.scot/

This website provides lots of information on all aspects of care, including finance.

www.ageuk.org.uk

AgeUK provides comprehensive advice on the financing of care, including lots of down-loadable information sheets.

DISCLAIMER:

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