

How much will the local authority pay towards care home fees?

Before you start

Paying for care can be complicated, and how much help you receive will depend on both your care needs and your financial circumstances.

This guide gives a **simple, general introduction to local authority funding for care home fees in England**. It is for general information only and should not be relied upon as a substitute for professional financial, legal or care advice.

Different rules apply in **Wales, Scotland and Northern Ireland**, so if you live outside England, check the guidance for your nation.

How is local authority help decided?

If you need care and support, your local authority can carry out a **care needs assessment** to work out what help you need.

If you have eligible needs, it may then carry out a **financial assessment**, sometimes called a means test, to work out how much you can afford to contribute towards your care.

For 2026/27 in England, the upper capital limit is **£23,250** and the lower capital limit is **£14,250**.

If you have more than £23,250 in assessable capital, you will generally be expected to pay the full cost of your care yourself.

If you have £23,250 or less, you may be entitled to financial help from your local authority. How much you contribute will depend on your income, savings and other financial circumstances.

There are rules about what is and isn't included in the financial assessment. Your home, for example, is not always counted, so it is important to have a proper assessment rather than assuming you will have to pay the full cost yourself.

How much will the local authority pay?

There isn't one standard amount that every local authority pays towards a care home.

If the local authority is responsible for meeting your eligible care needs, it will set a **personal budget**. This is the amount it calculates is needed to meet those needs.

Importantly, the personal budget must be **sufficient to meet your assessed care and support needs**.

The local authority must make sure there is at least one suitable care home available that:

- can meet your assessed needs
- has a place available
- is willing to enter into a contract with the local authority, and
- can be paid for within your personal budget.

You should therefore not be required to pay a top-up simply because the local authority has set its budget too low to obtain suitable care.

If there is no suitable accommodation available at the amount originally included in your personal budget, the local authority must arrange suitable accommodation and adjust the budget to meet the cost.

Can I choose my care home?

If the local authority is arranging your care, you still have a right to express a preference about where you would like to live.

Your preferred home must be suitable for your assessed needs, have a place available and be willing to accept the local authority's terms.

If your preferred care home costs no more than the amount the local authority has calculated is necessary to meet your needs, you should not need a top-up.

If you choose a more expensive care home when suitable accommodation is available within your personal budget, an additional payment may be needed.

This is usually known as a **top-up fee**.

What is a top-up fee?

Imagine the local authority has identified suitable care that can meet your needs within your personal budget, but you would prefer a different home that costs more.

The difference between the two amounts may be paid as a **top-up**.

Usually, this is paid by someone else, such as a family member or friend. This is sometimes called a **third-party top-up**.

There are limited circumstances in which the person receiving care can pay their own top-up, so don't assume you can simply pay the difference yourself.

Any top-up must be optional. A local authority should not ask for a top-up simply because it cannot find suitable accommodation at the amount it originally expected to pay.

Think carefully before agreeing to a top-up

Care home fees can increase over time, so anyone agreeing to pay a top-up needs to understand that the amount they have to pay could also change.

There should be a **written agreement** setting out the arrangements, including how much will be paid, how often the amount will be reviewed and what could happen if the payments stop.

If a top-up can no longer be paid, the local authority must consider what happens next. This could ultimately mean considering alternative accommodation that meets the person's assessed needs, although any move would need to be handled through the proper care and support planning process.

Before agreeing to a top-up, make sure you understand both the immediate cost and what you could be committing to in the future.

What happens to my pension and other income?

If the local authority is helping to pay for your care home, you may still be expected to contribute much of your assessable income towards the cost.

This can include income from pensions and certain benefits.

However, you must be left with some money for your own personal spending.

This is known as the **Personal Expenses Allowance**.

For **2026/27 in England**, the **Personal Expenses Allowance** is **£31.80 a week**.

This is your money to spend on personal items and shouldn't be used to pay for care and support that the local authority or NHS has agreed to provide.

In some individual circumstances, a local authority can allow you to keep more than the standard Personal Expenses Allowance.

What if I want a care home in another area?

You are not necessarily limited to care homes within your own local authority's boundaries.

If the local authority is arranging your care, you can express a preference for suitable accommodation elsewhere in England.

The normal rules around suitability, availability, cost and any additional top-up will still apply.

Moving to another part of the country can involve questions about which local authority remains responsible for your care, so it is worth discussing the move with your current local authority **before making arrangements yourself**.

What about Wales, Scotland and Northern Ireland?

Care funding is devolved, which means the financial rules are not the same throughout the UK.

For example, **Wales has different capital limits and personal spending allowances**, while **Scotland has its own charging system and provides free personal and nursing care for people who have been assessed as needing it**. Northern Ireland also operates under its own residential care charging rules.

If the person needing care lives outside England, check the current guidance for that nation rather than relying on the English figures in this guide.

A final thought

It can be tempting to focus on one question: **"How much will the council pay?"**

But there isn't a single national figure.

The amount will depend on the care you have been assessed as needing, your financial circumstances and the cost of suitable care.

A good first step is to ask your local authority for a **care needs assessment** and, where appropriate, a **financial assessment**. That will give you a much clearer picture of what support may be available and what you may need to contribute yourself.

 **This guide provides general information only and does not constitute financial, legal or care advice. Individual circumstances vary and care funding rules and allowances can change. Information checked against government guidance as at September 2026.**

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