

Additional Cost in relation to a Care Home Placement

Fact Sheet 26

(November 2025)

The first thing to say is that financial charging is complicated and therefore if you have any queries, please speak to the social work staff member dealing with you, or our Financial Assessment Team, or Brokerage Team, whose contact details are at the bottom of this factsheet.

You only need to read this Factsheet if you or loved one is considering going into a private care home i.e., a care home not owned by the council, and Carmarthenshire County Council is contracting for that placement.

If you are going into a care home for less than 8 weeks (e.g., respite, short-term care or replacement care) the local authority only has to offer you one suitable and available care home placement.

However, if you have been assessed as needing a care home placement and at the time of admission the stay is expected to last longer than 8 weeks (i.e. a temporary or permanent placement) then the below will apply¹

What we have to do

If you or your loved one are assessed by the local authority as needing a care home placement, then the authority has an obligation to:

- Offer a choice of at least two suitable care home placements, which have availability to meet the assessed needs.
- To arrange for you to go to the care home of your choice, even if that is not one of the two suitable care home placements identified by the local authority, provided that the care home can meet your needs and will enter into a contract with the local authority. Please note that an Additional Cost will be due from a third party if the care home you choose is more expensive than the care homes offered by the local authority. It may be due from you², if you enter into a Deferred Payment Agreement, but in the first instance a third party will need to agree to fund the Additional Cost until a Deferred Payment Agreement can be completed.

¹ This does not apply to individuals whose care home placement is funded under Section 117 of the Mental Health Act 1983

² Only where there is a deferred payment agreement in place. For more information about deferred payments contact the Financial Assessment Team.



If you do not own a property, or do not want to or cannot enter into a deferred payment agreement (e.g. if your property is not registered with the Land Registry, there is already a Legal Charge secured against the property, or the property is disregarded from the financial assessment etc), or there is no one else who is willing or able to pay the Additional Cost then you can still choose to arrange the care home placement yourself, without involving the local authority. Alternatively, you may wish to take a **Direct Payment** to commission your own care home placement. This means that you could pay the Additional Cost yourself; this would be in addition to your financially assessed contribution for your care home placement which would be due to the Local Authority.

You can find out more information about direct payments and financial assessments on our website: www.carmarthenshire.gov.wales/moneymatters

What is a standard rate for care home placements?

It is important to be aware that not all care homes charge the same rate for a care home placement. Every year Carmarthenshire County Council meets with representatives from the care homes in Carmarthenshire to agree a standard rate for local authority arranged care home placements.

There are four different standard rates depending on the type of care a person needs. A number of care homes will accept the council's standard contract rate, whereas others will want to charge more. If the care home chosen is not in Carmarthenshire, Carmarthenshire County Council will pay the care home its standard contract rate and the difference in cost, if it is more expensive, will be the Additional Cost.

How much will I have to pay if I go to one of the two care home placements offered by Carmarthenshire County Council?

If Carmarthenshire County Council cannot offer you a placement at two care homes at its standard rate, then whichever one you choose out of the two homes offered, you will only be charged up to the applicable standard rate for the type of care you need.

However, the actual amount that you will contribute to the cost of the care home will be determined by a **financial assessment**. What this means is that you should never pay more than you can afford; not everyone has to pay the full cost of the care home placement but as a minimum everyone will make a contribution from their income towards their care home placement (except for in some particular circumstances – please see link for information relating to Financial Assessments at the end of this Fact Sheet). To make sure that you do not pay more than you can afford we will undertake a financial assessment of your circumstances.

What if I want to go to a care home which is more expensive than the two offered to me by Carmarthenshire County Council?

If you want to go to a different care home to the two we have offered you, then you can go anywhere in Wales, England, Northern Ireland, or Scotland. However, if the care home that you choose whether in Carmarthenshire or not charges more than Carmarthenshire's standard



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rate/than the two care homes offered to you, then an **additional cost** applies.

It is important to note that if there is an additional cost, then unless you can enter into a **Deferred Payment Agreement** usually someone other than yourself will have to pay this from their own funds and in any case someone else will need to agree to pay the Additional Cost until a Deferred Payment Agreement can be completed. This amount is on top of what you are financially assessed to contribute towards the cost of your care home placement.

If you cannot pay the Additional Cost yourself through a Deferred Payment Agreement and do not have a third party who is willing and able to pay the Additional Cost then you must choose one of the two care homes offered to you by the council (or a care home of equivalent cost), or take a **Direct Payment** to pay for your care home placement, or make your own arrangements for the care home placement without involvement from the council.

You can find out more information about Deferred Payment Agreement and Additional Cost our website: www.carmarthenshire.gov.wales/moneymatters

How does this work in practice?

If Carmarthenshire County Council is contracting for your care home placement and it is more expensive than the two offered and more expensive than the standard rate, Carmarthenshire County Council will contract with the care home for the entire cost of the placement, including the Additional Cost amount.

If you own your former main residence, then as long as you meet certain requirements you will be able to enter into a **Deferred Payments Scheme** and fund the Additional Cost yourself under this arrangement, but only after the Deferred Payment Agreement is in place. Until then a third party must agree to and afford to fund the Additional Cost.

However, if you do not own a property or cannot enter into a Deferred Payment Agreement **you will need to identify someone who is willing and able to pay the additional cost referred to above.** That person needs to understand that they will be obliged to pay that additional cost for as long as you are in the care home (please see illustration of the potential liability, overleaf). As a result, Carmarthenshire County Council will carry out a financial assessment on the third party prior to arranging the placement and will want to see evidence that the third party can afford to pay the additional cost. They will also be required to sign a legally binding contract with the council confirming that they will pay this amount and may be subject to legal recovery action should they fail to pay this amount. The placement will not go ahead until the signed agreement and evidence of affordability is received.

If following the financial assessment, it is deemed that the third party cannot afford the Additional Cost at the chosen placement for the expected duration of the placement then the local authority will not be in a position to arrange that placement. If you do not accept either of the care homes offered by the Local Authority, then you can either take a Direct Payment or arrange your own placement without involvement from the Local Authority as it will have discharged its duty by offering two suitable placements to meet your needs.

If a third party is liable to pay the Additional Cost (i.e. you cannot pay it as you do not own a property/cannot enter into the Deferred Payment Scheme) then the third party must pay this from their own funds, not from your funds. This amount is in addition to the amount you are financially assessed to contribute towards the cost of your care home placement.



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Please see below an illustration of the amount the third party could be committing to pay over the average duration of a 'permanent' care home placement.

Illustration – Additional Cost amounts

Weekly Additional Cost (AC) Amount	AC Liability – Year 1	AC Liability – Year 2	Total AC Liability (over 2 years, will increase if placement lasts longer)
£25.00	£25.00 x 52 weeks = £1,300.00	£25.00 x 52 weeks = £1,300.00	£2,600.00
£50.00	£50.00 x 52 weeks = £2,600.00	£50.00 x 52 weeks = £2,600.00	£5,200.00
£100.00	£100.00 x 52 weeks = £5,200.00	£100.00 x 52 weeks = £5,200.00	£10,400.00
£150.00	£150.00 x 52 weeks = £7,800.00	£150.00 x 52 weeks = £7,800.00	£15,600.00
£200.00	£200.00 x 52 weeks = £10,400.00	£200.00 x 52 weeks = £10,400.00	£20,800.00

The person you identify, or any of your family should never be asked by the care home to pay the additional cost directly to them.

It is also important to note that care homes regularly change their care home fees and thus the council's standard rate can change. If this rate changes it may mean that the additional cost increases and therefore the person paying this amount needs to be aware of this.

What happens if the person paying the additional cost is no longer able to pay?

We will initially look to pursue the debt due from the person, through our debt management process, which could ultimately result in court action. In addition, if the additional cost is not being paid, the council will look at making alternative cheaper arrangements, which could include you having to move to a cheaper care home.

You can find out more information relating to additional costs on our website:



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Other Useful Information

You may also find the following factsheets helpful:

- Factsheet 2 – Moving to a Care Home
- Factsheet 5 – Information about Direct Payments
- Factsheet 6 – Deferred Payment Scheme
- Factsheet 27 – Privately Arranged for Care

Need More Help?

If you'd like to speak to someone about your financial assessment, please contact our Financial Assessment Team:

 **01267 228997 / 01267 228861**

 **SCHfinancialassess@carmarthenshire.gov.uk**

For questions about additional costs related to care home placements, please contact the Residential Accommodation Brokerage Team:

 **01267 228751**

 **COMBrokerageAccommodation@carmarthenshire.gov.uk**

All social care factsheets are available here:

www.carmarthenshire.gov.wales/factsheets

**This factsheet is also available in Welsh.
If you would like this factsheet in any
other format telephone 01267 228703 or
Email: socialcare@carmarthenshire.gov.uk**



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