Your Home, Care Fees and the Facts

What care costs, how the means test works, and the honest truth about protecting your home



Care is one of the biggest costs a family can face. The average nursing home now costs around £1,535 a week, close to £80,000 a year.

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About Edge Legacy Planning

Edge Legacy Planning is a will-writing and estate-planning firm. We are not solicitors and we are not regulated by the Solicitors Regulation Authority. This guide is general information based on the law in England and Wales as at September 2026. It is not legal, tax or financial advice, and your circumstances may differ.

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THE STARTING POINT

A straight answer to a difficult question

Few subjects cause more quiet worry than care fees. The costs are genuinely significant, the rules are confusing, and the question families ask most often, which is whether they will lose the house, rarely gets a straight answer.

This guide gives you one. It explains what care actually costs, how the means test decides who pays, when your home is counted and when it isn't, and what the rules on giving assets away really say.

One thing it won't do is tell you how to avoid care fees. That isn't something we do or advise, as the schemes that promise it frequently leave families worse off, and later in the guide we explain why. What we can show you is the planning that's honest, legitimate and genuinely worth doing.

WHAT CARE COSTS

The numbers, in proportion

Key Figures: The average self-funder pays around £1,298 a week for residential care and around £1,535 a week for nursing care. Costs vary widely by region, from around £1,112 a week in the North East to over £1,500 in London.

How much does care actually cost?

Over a year, those weekly figures come to roughly £67,000 for residential care and £80,000 for nursing care. Not everyone needs residential care, and many who do stay for a relatively short time, but for those who need it for several years the sums involved are significant.

Does everyone have to pay?

No. Some care is funded by the NHS, some by the local council, and the rest by the person themselves. Around 37% of care home residents in England fund their own care, according to the Office for National Statistics, and the proportion is higher in care homes for older people and in the South East.

What about dementia?

Dementia is the single biggest driver of long-term care needs. The Alzheimer's Society estimates that one in three people born today will develop dementia in their lifetime, that around a million people are living with it in the UK today, rising to 1.4 million by 2040, and that around 70% of people in older-age residential care in England have dementia or severe memory problems.

WHO PAYS

How the means test works

Who pays depends first on the type of need, and then on your finances.

Key Figures: In England, you fund your own care if your capital is above £23,250. Below £14,250, your capital is ignored and only your income counts. In between, every £250 of capital is treated as £1 a week of income.

Is it the NHS or the council?

If your main need is a health need, NHS Continuing Healthcare can cover the full cost of your care, at home or in a care home, and it is not means-tested, so it is always worth checking. Separately, the NHS pays a flat £267.68 a week towards nursing costs in a nursing home. Everything else falls to the means-tested council system, or to you.

What happened to the £86,000 cap?

A lifetime cap of £86,000 on personal care costs was legislated for but never introduced, and the government cancelled it in July 2024, according to the House of Commons Library. An independent commission chaired by Baroness Casey is now reviewing the system, with a final report due in summer 2027, but no cap and no change to the capital limits have been introduced, so planning today is done under today's rules.

Does Wales work differently?

Yes. In Wales, there is a single capital limit of £50,000 for residential care, a £24,000 limit for care at home, and a maximum charge of £100 a week for non-residential care, according to the Welsh Government.

YOUR HOME

When it counts, and when it doesn't

The family home is the asset people worry about most, and the rules are more protective than the headlines suggest.

Key Figures: Your home is never counted while you receive care in it. For a care home, it is disregarded entirely while your spouse or partner still lives there, and for the first 12 weeks of a permanent stay.

Will I have to sell my home?

Often, no. If you receive care in your own home, its value is ignored completely. If you move into a care home permanently, the home only counts once the disregards below have been considered, and even then a sale can usually be avoided during your lifetime.

When is my home not counted?

Your home is disregarded while it is still lived in by your spouse or partner, a relative aged 60 or over, a relative who is incapacitated, or a child under 18. It is also ignored for the first 12 weeks of a permanent placement, which gives families time to take advice and make decisions calmly.

What is a deferred payment agreement?

Where the home does count, a deferred payment agreement lets the council pay your care fees and recover the money from the property later, usually when it is eventually sold. It means care fees do not have to force a sale in your lifetime, though interest and charges apply, and your council can explain the details.

What can and cannot be planned

Key Figures: In research by the Association of Lifetime Lawyers, 82% of lawyers said clients had been misled into thinking so-called asset protection trusts would protect their homes or reduce tax. Most victims paid between £3,000 and £5,000, and 89% of cases involved unregulated providers.

What is deliberate deprivation of assets?

If you give assets away, or put them into a trust, and the council decides that avoiding care fees was a significant reason for the timing, it can treat you as though you still owned them. There is no seven-year rule here as there is with inheritance tax. A council can look back over any period if it believes the purpose was to avoid paying for care, and can assess you as if the money or property were still yours.

Why 'put your house in trust' schemes go wrong

Be very careful with anyone offering to protect your home from care fees by putting it into a trust while you're alive, whatever name the product is given. These arrangements can mean losing control of your ho me, unexpected tax consequences, and still being charged for care if the council finds that avoiding fees was the aim. If someone promises a trust will keep your home safe from care fees, treat the promise itself as a warning sign.

What legitimate planning looks like

For a couple who own their home as tenants in common, a life interest trust in each will can be sensible. Its genuine purpose is to preserve the first partner's share for their chosen beneficiaries while the survivor keeps the right to live in the home for life. If the survivor later needs care, the council normally assesses only their own share, because the share held in trust is not theirs to spend. It is a will-based arrangement that takes effect on death. However, it protects only the first partner's share rather than the whole home, nothing about it is guaranteed, and it should never be sold to you as a way of avoiding care fees.

PLANNING AHEAD

The honest steps worth taking

None of the sensible preparation for later life involves schemes or shortcuts. It looks like this.

> **Key Figures:** A care needs assessment from your local council is free, and anyone can ask for one, according to the NHS. NHS Continuing Healthcare is not means-tested, and it is always worth checking whether it applies.

Put Lasting Powers of Attorney in place

If care is ever needed, someone you trust will need to manage your finances and speak for you on health and welfare decisions. LPAs are the foundation of later-life planning, and our separate guide covers them in full.

Check how your home is owned

Whether you own your home as joint tenants or tenants in common shapes what your wills can do, including whether a life interest trust is available to you. HM Land Registry can confirm the position.

Make or review your will

A will keeps your wishes current, and for couples who own as tenants in common, it is where a life interest trust belongs if one genuinely suits your family. We will always tell you whether it does.

Get the right advice

For how the means test applies to you, speak to your local council. For health-funded care, start with the NHS. For decisions about paying for your care, such as annuities or using your savings and investments, speak to a financial adviser regulated by the Financial Conduct Authority.

NEXT STEPS

How Edge can help

1. A relaxed conversation. At home or over the phone, in plain English. We talk through your family, your home and what you'd want to happen if care were ever needed.
2. Fixed, transparent pricing. Our fee is agreed before you commit to anything, with no surprises later on.
3. Wills built around your family. We help with wills, including a life interest trust where it genuinely suits a couple who own as tenants in common, and with Lasting Powers of Attorney. Where a question belongs with your council, the NHS or a regulated financial adviser, we'll say so.

No one can promise to protect your home from care fees, and you should be wary of anyone who does. What we can do is help you put the honest pieces in place, and it costs nothing to find out where you stand.

Get in touch: 01883 723310

Visit our website for more information: https://edgelp.co.uk

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