



DEFERRED PAYMENT SCHEME

CHARGES FOR RESIDENTIAL /NURSING ACCOMMODATION FOR PEOPLE WITH PROPERTY

If you need to enter permanent residential/nursing care the Council will have to undertake a full financial assessment to work out how much you should pay towards the care home fees. The assessing officer will look at your income and expenditure, and also any savings or property you own. In most circumstances, the value of this property is taken into account, however, the Care Act 2014, states that anyone who receives residential care should not have to sell their home in their lifetime to pay for that care.

Where the value of your home is taken into account, and you do not have sufficient income or other assets/savings to meet the full cost of the care home fees, the Council will discuss the possibility of entering into a Deferred Payment Agreement with you.

There are some situations where the value of a person's home is not taken into account, for example when a partner continues to live there or if the stay in the care home is only temporary. We will advise you of all the situations where property is not included.

THE 12 WEEK PROPERTY DISREGARD

For the first 12 weeks of your stay, your property will be disregarded from our financial assessment, however you will still be expected to make a contribution towards the cost of your care, after a financial assessment has been carried out to determine how much that contribution will be.

After the 12-week period the value of your home will be taken into account by the Council in working out how much you should pay.

THE DEFERRED PAYMENT SCHEME

The Deferred Payment Scheme is designed to help you to continue to meet the difference between the full cost of your care home and your assessed contribution, either while you are selling your home, or until you leave residential care. The difference is called the “deferred contribution”. You, or your estate, would only pay back the deferred contributions when you sell your home or when you leave residential care.

CHARGING INTEREST

The Council will charge interest while the payments are being deferred until the time that the agreement is terminated. Deferred Payment Agreements will be put in writing and will need to be signed by yourself or your legally appointed representative and the Council.

TOP UP FEES

If you wish to enter a home that is more expensive than the amount that the Council has agreed to pay, you or a member of your family can pay the “top-up”, or the Council may consider the inclusion of top-ups in the deferred amount; however, this is subject to the Council at its absolute discretion being satisfied that the security offered in the Property will be sufficient to sustain the costs being deferred by you, as the ‘Borrower’.

ADMINISTRATION COSTS

There is an initial one off administration charge of £(X) which covers the average costs incurred in relation to this agreement. After this, you will be charged an annual management fee on the anniversary of the agreement.

The administration costs should be paid immediately, however, in exceptional circumstances, you can request for it to be added to the deferred amount. Any administration costs deferred by you will be treated in the same way as other deferred amounts, and may incur interest.

LEGAL CHARGES

If you choose to use the Deferred Payments Scheme, the Council will seek to secure a first legal charge or other security where it is satisfied at its own absolute discretion that the security will be adequate to cover the deferred amount.

This means that the value of the security (i.e. a charge secured on “the Property”) must be deemed to be sufficient to cover the likely debt.

DISPOSABLE INCOME ALLOWANCE

Whilst taking advantage of the scheme you are entitled to keep up to a maximum of £144 per week disposable income allowance during the time that the Agreement is in existence. You can request that the Council reduce this allowance below £144 per week. This would enable you to contribute more or less to your care and support costs, allowing more flexibility in the amount deferred.

ATTENDANCE ALLOWANCE

ALLOWANCE/DISABILITY

LIVING

As the local authority is providing financial assistance for your accommodation, you are only entitled to this benefit for the first 4 weeks of your residence. This includes any period you have been in hospital. Please contact the Disability Benefits Unit, Warbreck House, Warbreck Hill, Blackpool, FY2 0YE (Tel: 0345 605 6055) who will advise you.

From the **13th week**, if you go onto a Deferred Payment Scheme or if you fund the cost of your care yourself, you will be entitled to claim Attendance Allowance / Disability Living Allowance (Care) at the higher rate to assist with the cost of your accommodation. Please contact the Disability Benefits Unit, Warbreck House, Warbreck Hill, Blackpool FY2 0YE (Tel: 0345 605 6055) who will advise you.

CONDITIONS OF APPLICATION

In order to apply for the Deferred Payment Scheme you must satisfy the following conditions:

- Have capital (excluding the property) of less than £23,250.00
- You will, at your own expense, provide the Council with a written valuation of the Property provided by a suitably qualified independent expert.
- Have a beneficial interest in the property which is registered with the Land registry (if the property is unregistered you must arrange for it to be registered at your own expense).
- Must be assessed as requiring permanent residential / nursing care in a registered care home.
- Have the mental capacity to agree to a deferred payment agreement or have a legally appointed representative who can agree for you.
- The Council must be able to obtain adequate security for the deferred amount (deferred care and support costs and any deferred interest and deferred administration costs). This means that the value of the security (i.e. a charge secured on “the Property”) must be deemed to be sufficient to cover the likely debt. The Council will seek to secure a first legal charge or other security where it is satisfied at its own absolute discretion that the security will be adequate to cover the deferred amount.
- You must keep the Property adequately insured with a reputable insurance company, against all loss or damage by fire, lightning, flood and/or explosion and such other risks which are normally contained in a household policy for its full rebuilding including architect and surveyor’s fees.

RENTAL INCOME

- You may choose to rent out your property while this Agreement is in force. If you do, you can retain up to 20% of the rental income. The remaining income will be taken into consideration in any financial assessment and may result in the amount of deferred payment being reduced.
- By not selling your property you may not qualify for as much Pension Credit which will increase the amount of Deferred Payment Agreement.

IDENTIFICATION REQUIREMENTS

You will be required to provide the Council with verification of your identity or your deputy /attorneys; this should be in one of the following forms.

One of the following

- Current valid full passport
- Current United Kingdom, EU, Isle of Man, Channel Islands photo card driving licence (not a provisional licence)
- Current identity card issued by the UK Identity and Passport Service to a non-UK national resident in the UK

OR

Two of the following but no more than one of each type:

- Cheque guarantee card or credit card bearing the MasterCard or Visa logo, an American Express or Diners Club card, or a debit or multi-function card bearing the Maestro or Delta logo which was issued in the United Kingdom and is supported by an original account statement less than three months old*
- Utility bill less than three months old*
- Council tax bill for the current year
- Council rent book showing the rent paid for the last three months
- Mortgage statement for the mortgage accounting year just ended*

* These must be postal statements; they must not be statements sent electronically.

FURTHER INFORMATION

Please contact the financial assessment team on 01642 729592 for any further information or to make an application.

If you are considering using the Deferred Payments Scheme, you are advised to seek independent financial advice before the arrangements are finalised.