

# The Deferred Payment Scheme

Helping home owners to pay residential care costs until their property is sold

November 2019

This leaflet is available in other formats such as Braille or Large Print. Call us on 03000 858 858 to request.

## What is the Deferred Payment Scheme?

The deferred payment scheme is for people who want to delay paying for some or all of their care costs until a later date so they don't have to sell their property as soon as they go into the care home. This payment is deferred and not written off. The costs must be repaid by the person entering the care home or by a third party on their behalf at a later date.

## Who is the Scheme for?

It is for home owners moving permanently into residential care funded by the local authority who either:

- Do not wish to sell their home **or**
- Are unable to sell their home quickly enough to pay for their care.

## **How do I become eligible for the Scheme?**

Local authorities must offer a deferred payment agreement to people going into residential care who meet the following eligibility criteria:

- Have been assessed by Social Services requiring residential or nursing care
- Be eligible for funding from the local authority
- Have a beneficial interest in a property
- Following a financial assessment your weekly assessed income is not enough to meet the full costs of your residential care.
- You are in agreement with all of the terms and conditions included in the deferred payment agreement offered.
- If there is any other person the local authority considers has an interest in the property who may prevent it from being sold, the service user must allow us to contact that person.
- Allow the local authority to create a charge over the property which the person has an interest in and that it takes priority over and ranking before any other interest or charge on the property.
- That the property is insured against all the usual risks and maintained to a reasonable standards
- The property must be registered with the land registry.

## **Can I be refused a Deferred Payment?**

The local authority must offer a deferred payment agreement to a person who meets the eligibility criteria set out above, but there will be situations in which a local authority may refuse a request for a deferred payment agreement where these are not met. This would occur, for example, where:

- If there is another person with an interest in the property who does not agree to the property being used in this manner
- You do not agree to the terms and conditions of the deferred payment agreement. This might be, for example, failing to meet a condition that you insure and maintain the property in good order.

## **Circumstances in which the local authority may stop deferring care costs**

There are also circumstances where the local authority may refuse to defer any further care costs for a person who has an active deferred payment agreement in place.

- When the cost of the care over a period of time becomes more than 90% of the value of the property.

### **How does the Scheme work?**

For the first twelve weeks the value of your home is disregarded.

After twelve weeks you may be allowed to defer the difference between the care home costs and your weekly assessed contribution (which you will have been told about in writing before). This will continue either until you sell your property or the amount deferred adds up to more than 90% of the value of your property.

## **What about residents who are making or want to make “top up payments?”**

You may choose to make top up payments to live in accommodation which is more expensive than the Council would normally pay for. Residents who do not wish to sell their homes may, therefore, be able to take advantage of a Deferred Payment, and the Council would consider whether to defer top-up payments (from income or other assets) in order for you to live in more expensive accommodation.

If the top up amount is very high it may not be possible to defer these payments. Any top up to be made during the 12 week property disregard period can be made by you (the resident) but only from any income or capital assets, not the property subject to a legal charge.

## **Will there be any costs incurred if I enter into the Scheme?**

Yes – local authorities are able to recover any costs associated with deferring a person's care costs and to cover the financial risks associated with lending.

These may include:

- Interest from day one will be charged on any amount deferred and will be compounded plus an additional charge of 0.15% above the 'relevant rate'
- Any administrative costs in setting up and maintaining the deferred payment agreement
- Valuation and re-valuations of the property
- Registering and removal of any legal charges against the property.

The Schedule of Fees when entering into a Deferred Payment Agreement is at the end of this document.

## **Termination of the Deferred Payment Agreement**

A deferred payment agreement can be terminated in three ways:

- (a) At any time by the person repaying the outstanding care costs in full, including any outstanding interest and administrative costs
- (b) When the property is sold and the authority is repaid: or
- (c) When the person dies and the amount is repaid to the local authority from their estate.

## How do I apply to join the Deferred Payment Scheme?

If you are planning to live in a residential home permanently following a Social Services assessment and are thinking about a deferred payment agreement you can discuss this with a **Financial Assessment Officer** or a **Welfare Benefit Officer** on **01352 701318**

If you decide to go ahead, please complete the **Deferred Application Form** completing all information that is requested.

**We will write to you to inform you of the outcome of your application.**

## Information, questions and complaints

Contact the Financial Assessment and Charging Team to request a copy of the 'Paying for residential care' leaflet which contains more information about charges, or, to discuss deferred payments in more detail **01352 701318**.

## If things go wrong

We are aware that despite our best efforts there may be occasion when a service user has a complaint. Any complaint about services can be made to your Social Worker, Financial Assessment Officer or a Team Manager. If you wish to make a formal complaint this should be made to:

The Complaints Officer  
Tŷ Dewi Sant,  
St David's Park,  
Ewloe,  
Flintshire CH5 3XT

**☎ 01352 702623**

Email: [ian.maclaren@flintshire.gov.uk](mailto:ian.maclaren@flintshire.gov.uk)

A leaflet 'Your right to compliment and complain' which explains how your comments can be made and how they will be dealt with is available from the same address. You can also see our leaflets online at **[www.flintshire.gov.uk/careinfo](http://www.flintshire.gov.uk/careinfo)**

Full information on the care and support system in Wales is available on **[www.dewis.wales](http://www.dewis.wales)**

Flintshire County Council Social Services

**Schedule of fees when entering into  
a deferred payment agreement 2019/2020**

<b>Costs Incurred</b>	<b>Amount £</b>
Valuations	£85.00
Legal Fees	£400.00
Set Up Fee	£250.00
Annual Administration Fee	£92.00
Interest Charges	Interest will be charged from day 1 of the Deferred Payment Agreement and will be compounded plus an additional charge of 0.15% above the 'relevant rate'  The relevant rate is the Market Gilt Rate which is provided on the Determinants of the fiscal forecast table which can be accessed on the following website: <a href="http://budgetresponsibility.org.uk/">http://budgetresponsibility.org.uk/</a>

**Please ensure that you have read the Deferred Payment agreement leaflet and sought legal advice before you enter into this scheme.**

For any other advice or information contact:  
Financial Assessment & Charging Team, Social Services  
Tŷ Dewi Sant,  
St David's Park,  
Ewloe, Flintshire, CH5 3XT  
**☎ 01352 701318**

Mae'r ddogfen hon ar gael yn Gymraeg. Cysylltwch â 03000 858858 i gael fersiwn Gymraeg.

This document is available in Welsh. Please contact 03000 858858 for a Welsh version.

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