

# Adult Social Care Deferred Payment Agreement Policy

Adult Services

Policy

Northamptonshire County Council  
Adult Services



Northamptonshire  
County Council

**Version: 1.1**

**Effective from:  
1/04/2015**

**Next Review  
Date: 1/04/2016\***

*\* Scheme administration charges will be reviewed in January 2016 – Appendix (C)*

# Northamptonshire County Council: Adult Services

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## Document details

**Project:** Deferred Payment Agreement Policy

**Version:** 1.1

**Status:** New

**Date:** 17<sup>th</sup> April 2015

**Area:** Adult Social Care

**Author:** Financial Assessment team (LGSS)

**Owner:** Carolyn Kus – Director of Adult Social Care Services

## Document History

Version	Date	Editor	Details
1.0	26.03.2015	MA (LGSS)	Final version of this policy, including a sample version of the DoH agreement.
1.1	17.04.2015	MA (LGSS)	Final version of this policy, including NCC version of the deferred payment agreement.

## Document sign-off

Carolyn Kus & Adult Leadership Team	26.03.2015
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## Feedback

If you have any comments about this document please email: [acsconsultation@northamptonshire.gov.uk](mailto:acsconsultation@northamptonshire.gov.uk)

For public access on the Internet YES  NO

For staff access on the Intranet YES  NO

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## What is this document?

This is a policy document for Northamptonshire citizens and employees of Northamptonshire County Council (NCC), which governs how the Council administers the universal deferred payment scheme for adults with social care needs in the county. This policy brings together and consolidates good practice and incorporates values and principles that underpin the Councils work with adults.

## Symbols used in this document

	<b>Denotes a Council Policy or Document</b>
	<b>Denotes a need to complete a form</b>
	<b>Denotes Legislation</b>
	<b>Denotes a external Internet website address</b>  (These will be highlighted in blue throughout the document, all you need to do is place your cursor over the text, hold down the control key (ctrl) and left click with your mouse button, or press the return key on your keyboard. This will take you to a website that we feel will be more helpful to you should you require more detail).
	<b>Denotes a internal Intranet website address</b>  (These will be highlighted in blue throughout the document, all you need to do is place your cursor over the text, hold down the control key (ctrl) and left click with your mouse button, or press the return key on your keyboard. Only internal staff and approved bodies will have access to these pages. Please contact your site designer if your access is restricted).

## 1. What is a Deferred Payment?

- 1.1 A deferred payment is a financial arrangement with the council, usually following a 12-week property disregard period, which allows a customer in permanent residential/nursing care to delay the costs of their social care until a later date.
- 1.2 An agreed deferred payment with NCC can help delay the need for a customer to sell their home, giving more piece of mind to focus on the transition into permanent residential care.
- 1.3 The agreement is a contractual arrangement between NCC and the customer based on deferring some or all of the customer costs of care against the value of their home. This offers flexibility for the customer to sell their home when they choose to do so.
- 1.4 This financial arrangement means the customer payment for care costs is deferred and not 'written off'. The costs of provision of care and support will have to be paid by the individual (or a third party on their behalf) at a later date.
- 1.5 The arrangement is available to a customer who meets the deferred payment eligibility criteria as detailed within this policy.

## 2. Scope of this policy

- 2.1 This Deferred Payment Agreement (DPA) Policy establishes how NCC applies the Universal Deferred Payment Scheme in Northamptonshire under the Care Act Statutory Regulations 2014.
- 2.2 The process of determining eligibility to offer a deferred payment agreement is linked to the national standard eligibility criteria for social care for a permanent residential/nursing care placement and the financial assessment process, which are also governed by the Care Act 2014.
- 2.3 This policy is based on the principles of the Universal Deferred Payment Scheme as set out by Government and will remain in place until such time as the Department of Health issue further guidance or updates on the Care Act, at which point this policy will be reviewed and amended to reflect national guidance.



## 3. Legal Framework for this policy

- 3.1 Section 34 (Deferred payment agreements and loans), Section 35 (Deferred payment agreements and loans: further provision) and Section 36 (Alternative financial arrangements) of the Care Act 2014 places a duty on local authorities to

offer a deferred payment to a person who meets the deferred payment eligibility criteria as outlined within the Act. NCC has discretionary powers, as per the Act, to add additional considerations to the eligibility criteria for a deferred payment agreement. These are identified within this policy document.

### **4. Principles of this policy**

4.1 *Fairness*: the policy will be applied consistently to all adults eligible for social care and support, so that everyone is treated fairly and equitably. For those who are not eligible for services and support, we will offer signposting and information.

4.2 *Transparency and clarity*: the policy will be set out in a clear and straightforward way so that everyone can understand how deferred payment agreements are administered, will know what costs are involved at an early stage in the process, and be able to judge whether or not the policy has been applied correctly in their individual case.

4.3 *Empowerment*: the policy supports the overarching goal of the Council to support people to have more choice and control over their resources and the way these are utilised.

### **5. Information and advice on Deferred Payments**

5.1 When making a decision to commit to any financial product or arrangement, it is very worthwhile for a customer to consider the information and advice that is available, to help inform the decision making process. Independent financial advice should be sought by a customer before making decisions about their financial future, which includes the consideration of a deferred payment scheme. NCC will offer guidance to a customer on how to access independent financial advice and inform them of the existence of regulated financial advice.

5.2 Carers and families will often assist a person in making decisions about how they pay for their care. NCC will provide carers and families with the same information on deferred payments as would be provided to the person they care for. NCC will also, where appropriate, invite carers and/or families to participate in discussions on deferred payments, subject to the consent of the person with social care needs or someone else with appropriate authorisation. NCC, where appropriate, will provide a person with information and advice on options for deputyship, legal power of attorney and advocacy.



5.3 Further information on the deferred payment scheme provided by NCC is available through the NCC website. This information will also be available in alternative formats on request.

### **6. Mental Capacity for Deferred Payments**

6.1 The law works on the principle that everyone is assumed to have capacity to make decisions for themselves if they are given enough information, support and time. It protects their right to make their own decisions and to be involved in any decisions that affect them.

6.2 A customer's capacity must be judged according to the specific decision that needs to be made, even though someone may be making what seems to be an unwise decision (even if they have an illness or disability) this does not necessarily mean they lack capacity. There are legal safeguards that must be followed when making a decision on behalf of someone who lacks the capacity to make the decision and it must be done in their 'best interest'.

6.3 A person is unable to make a decision if they cannot:

- a. understand the information relevant to the decision,
- b. retain that information,
- c. use that information as part of the process of making the decision, or communicate the decision.

6.4 If Mental Capacity of the client is in doubt, then if a person who has a Lasting Power of Attorney (or an Enduring Power of Attorney), which includes authority to make such decisions for them, they may request a deferred payment on behalf of the customer.

6.5 Where a family member requests a deferred payment and they do not have the legal power to act on behalf of the client, NCC will signpost the client and family members to appropriate information and advice on how to obtain this legal power, which can be through Lasting Power of Attorney (LPA) and Deputyships.

6.6 If a person, who may be a family member or carer, cannot act as an advocate for the client and where there is no intention to register for a LPA, or the holder of the LPA can no longer undertake the role, then an independent advocate must be provided and a Court of Protection order considered.



6.7 Further information on the Mental Capacity Act 2005 can be found on the Adult Social Care Policies and Procedures page on the NCC website:

## 7. Practical Guidance



### 7.1 When to offer a Deferred Payment

7.1.1 NCC must offer a Deferred Payment to an individual who has their permanent residential or nursing care arranged by the Local Authority and also an individual who arranges and pays for their own care at the point of applying for the Deferred Payment subject to the following criteria:

- a. Where an individual's assessed social care eligible needs are to be met by the provision of permanent residential or nursing care.
- b. Where an individual has less than £23,250 in assets (excluding the value of their home) i.e. savings and other non-housing assets.
- c. Where the home is not occupied by a spouse or dependent relative as defined in regulations on charging for care and support. i.e. someone whose home is taken into account in the Council's financial assessment and might need to be sold.
- d. Where NCC is satisfied that there is adequate security in order to secure the Deferred Payment debt. i.e. 1<sup>st</sup> charge on the property, and the property is registered at Land Registry.

### 7.2 When a Deferred Payment can be considered

7.2.1 NCC can also exercise its discretion and may offer Deferred Payments to individuals in permanent residential/nursing care, who do not meet all of the deferred payment eligibility criteria above.

7.2.2 Examples of when NCC may exercise its discretion on a case-by-case basis:

- a. Where a person has assets which cannot be realised quickly and converted to cash.
- b. Where a person would like to use the wealth tied up in their property to fund more than just their core care costs and purchase affordable 'top-ups'

- c. Whether an individual has any other accessible means to help meet their care fees and/or they are narrowly not eligible given the criteria in section (7.1.1)
- d. The Council can also consider applications for Deferred Payments where a person is renting their Supported Living/Extra Care Accommodation and they still own their previous main residence.

*(The above is not an exhaustive list of examples)*

### **7.3 Where we may refuse a request for a Deferred Payment**

7.3.1 NCC may refuse a request for a Deferred Payment, even if a person meets the deferred payment eligibility criteria and NCC would otherwise be required to offer the person an agreement. The consideration to refuse is in accordance with the Care Act. This permission to refuse is intended to provide NCC with a reasonable safeguard against default or non-repayment of debt.

7.3.2 Circumstances where NCC may refuse a Deferred Payment Agreement include:

- a. Where NCC is unable to secure a first charge on the property e.g.:
  - unregistered property,
  - non-agreement by joint owners
  - mobile homes
  - some leasehold property
  - property abroad
  - uninsurable property
  - property with a mortgage charge attached

*(The above is not an exhaustive list of examples)*

- b. where someone is seeking a top up
- c. where a person does not agree to the terms and conditions of the agreement, for example a requirement to insure and maintain the property

- d. a deferred payment agreement cannot be entered into in order to finance mortgage payments on Support living accommodation
- e. where a person wishes to defer an amount larger than they can provide security for

### 7.4 Where we may stop deferring care costs

7.4.1 There are also circumstances where NCC may refuse to defer any more charges for a person who has an active deferred payment agreement. NCC cannot demand repayment of previously deferred charges in these circumstances, and repayment is still subject to the usual terms of termination, as set out in section (9.4) to this policy document.

7.4.2 Circumstances where NCC may refuse to defer any more charges may include;

- a. when a person's total assets fall below the level of the means-test, and the person becomes eligible for local authority support in paying for their care;
- b. where a person no longer has need for care in a care home (or where appropriate, supported living accommodation);
- c. if a person breaches certain predefined terms of their contract and NCC's attempt to resolve the breach is unsuccessful, the authority may stop making further payments in such a case as per the agreement; or
- d. if, under the charging regulations (see Chapter 8, Charging and financial assessment, of the Care Act Statutory Guidance), the property becomes disregarded for any reason and the person consequently qualifies for local authority support in paying for their care, including but not limited to:

- where a spouse or dependent relative (as defined in Chapter 8, Charging and financial assessment, of the Care Act Statutory Guidance) has moved into the property after the agreement has been made, where this means the person is eligible for local authority support in paying for care and no longer requires a deferred payment agreement; and

- where a relative who was living in the property at the time of the agreement subsequently becomes a dependent relative (as defined in Chapter 8, Charging and financial assessment, of the Care Act Statutory Guidance). The local authority may cease further deferrals at this point.

- 7.4.3 NCC should not exercise these discretionary powers if a person would, as a result, be unable to pay any tariff income due to the local authority from their non-housing assets.
- 7.4.4 NCC must also cease deferring further amounts when a person has reached the 'equity limit' that they are allowed to defer (see section (7.6) of this policy document); or when a person is no longer receiving care and support in either a care home setting or in supported living accommodation. This also applies when the value of the security has dropped and so the equity limit has been reached earlier than expected.
- 7.4.5 NCC will provide a minimum of 30 days advance notice that further deferrals will cease; and should provide the person with an indication of how their care costs will need to be met in future.

### 7.5 The Deferred Payment process at NCC



- 7.5.1 Usually during the financial assessment for a 12-week property disregard the deferred payment application process will be discussed and an application form provided to the customer for them to apply for this arrangement. The completed application will need to be returned to the Financial Assessment team within 14 days for consideration.
- 7.5.2 If the application is returned later than 14 days then the application may not be taken forward and the customer may be required to meet the full cost of their placement.
- 7.5.3 As part of the application process, a formal valuation may be arranged by the local authority for your property or proposed item of security.
- 7.5.4 If the application is not accepted, a letter will be sent to the customer stating the reasons for refusal. NCC operates an appeals process for decisions made by the local authority. See section (11) of this policy document for further information.
- 7.5.5 If the application is accepted, the customer will receive an agreement and acceptance letter for which they will need to sign and return to NCC. The customer must return the signed agreement within 14 days.
- 7.5.6 Once the signed agreement has been returned, a charge will be placed against the property with the Land Registry. The purpose of this charge is to ensure that the property cannot be sold without the knowledge of NCC.

### 7.6 How much can a person defer?

7.6.1 A person should in principle be able to defer the entirety of their care costs (subject to any contribution required from the person's income). NCC will need to consider both security and sustainability;

- Can adequate security be provided for the deferred payment agreement?  
This requirement for 'adequate security' will normally be fulfilled by securing the deferred payment agreement against a property.
- Is the amount or size of the weekly deferral requested sustainable given the intended length of deferral and equity available to repay i.e. will the care costs mount up over time to be more than the security available to repay?

7.6.2 Three elements will determine how much a person may need to defer:

- a. the amount of equity a person has available in their form of security
- b. the amount a person is contributing to their care costs from other sources, including income, savings or a third-party
- c. the total care costs a person will face, including any top-ups the person might be seeking.

### 7.7 The equity limit

7.7.1 In line with the Care Act Statutory Guidance, NCC sets an 'equity limit' for the agreed type of security (see section (7.11) for further information on obtaining security), for the total amount that can be deferred. The equity limit will ensure that some equity remains within the security to be used for the deferred payment agreement, acting for both as a buffer to cover any subsequent interest payments and to provide a safeguard in case of any small variations in value of the security.

7.7.2 If the person intends to secure their deferred payment agreement with a property, NCC will undertake a valuation of the property. Customers may request an independent assessment of the property's value (in addition to NCC's valuation). If an independent assessment finds a substantially differing value to NCC's valuation, NCC and the person will discuss and agree an appropriate valuation prior to proceeding with the agreement.

7.7.3 Where a property is used as security for a deferred payment agreement, the equity limit is set at;

- a. the value of the property
- b. minus ten percent,
- c. minus the lower capital limit (for financial year 2015/16, this will be £14,250).

7.7.4 NCC will, when a person is approaching the point at which they have deferred 70% of the value of their security, review the cost of their care with the person. NCC will discuss;

- a. when the person might be eligible for any means tested support
- b. the implications for any top-up they might currently have
- c. consider jointly whether a deferred payment agreement continues to be the best way for someone to meet these costs
- d. the possibility of re-valuing the security (see section (7.8) for further information).

7.7.5 NCC will not allow additional amounts to be deferred beyond the equity limit, and will refuse to defer care costs beyond this. Interest may still accrue beyond this point, and administrative charges may still be deferred.

### **7.8 Property Valuation**

7.8.1 Where an individual intends to secure their deferred payment with a property, NCC will undertake a valuation of the property that will usually take place during the 12 week property disregard. NCC can instruct an appropriate professional to provide a current market valuation.

7.8.2 People may request an independent assessment of the property's value (in addition to NCC's valuation). If an appropriate independent assessment finds a substantially differing value to NCC's valuation, the Council and person will discuss and agree an appropriate valuation prior to proceeding with the agreement.

7.8.3 The value of the property or security will be reviewed/re-valued as follows;

- a. On an annual basis from the date of the original valuation and
- b. when the amount deferred is between 50%-70% of the value of the security to assess any potential change in the value (and consequently the person's 'equity limit' should be reassessed in turn). After this

revaluation, NCC will revalue the security periodically to monitor any potential further changes in value. If in either case there has been any substantial change, the local authority should review the amount being deferred as well, as set out in the section (7.6) of this policy document, or

c. more frequently if individual circumstances deem necessary.

7.8.4 Where a property is being considered as the form of security for a deferred payment, the customer will need to consider how they plan to use, maintain and insure the property if they would like to take out a deferred payment agreement with NCC. Consideration should be made by the customer for how to rent out the property, prepare it for sale, or to leave it vacant for a period of time. NCC will signpost people to more specialist organisations who can provide further advice, for example, information about their legal responsibilities as landlords and their obligations to any potential tenants.

### **7.9 Financial contribution**

7.9.1 The share of care costs that a person intends to defer will be determined based on the amount they will be paying from income or other sources. A person may also contribute from payments by a third party (including any contributions available from a financial product) or from their savings. The sustainability of a person's contributions from their savings should be considered.

7.9.2 Contributing to care costs from another source would be beneficial for a person as it would reduce the amount they are deferring and this would reduce their overall debt to the local authority. However, NCC must not compel a person to contribute to their care costs from these sources.

7.9.3 NCC will require a contribution towards fees from a person's income, but will not leave the person with less than the disposable income allowance of £144 per week (2015/16 allowance). A person may choose to keep less of their income than the disposable income allowance should they wish.

7.9.4 If a person decides to rent out their property during the course of their deferred payment agreement, NCC may permit that person to retain a percentage of any rental income they possess.

### 7.10 Care home costs (top-ups)

7.10.1 Where a customer meets the deferred payment eligibility criteria and NCC is able to offer a deferred payment agreement, NCC will allow someone the opportunity to defer their 'core' care costs.

7.10.2 Before considering the deferred payment scheme through NCC, a customer should have an understanding of what their likely care costs will be. If a customer is considering residential/nursing care accommodation, which is above the agreed rate with the commissioned providers for NCC (therefore above the Expected to Pay Rate - EPR), the customer may wish to consider a top-up (which can be through a third party payment) in order to meet their preferred accommodation option.

7.10.3 Therefore, in choosing to make a top-up to 'core' care costs, a customer would need to make additional payments in order to meet the costs of the preferred accommodation option.

7.10.4 The deferred payment scheme at NCC can consider the option for a customer to defer their full care costs, which can include any top ups for the preferred accommodation option.

7.10.5 NCC will consider requests for top-ups, but have the discretion whether or not to agree to and the amount of a given top-up. NCC should accept any top-up deemed to be reasonable given considerations of affordability, sustainability and available equity within the security for the deferred payment.

7.10.6 If NCC is satisfied that a third party, or the customer, is able and willing to pay the additional cost of the preferred accommodation option, for the period during which NCC expects to support the customer's needs, the person paying will enter into a written agreement with NCC in which the person paying agrees to pay the additional cost. This is separate agreement to the Deferred Payment Agreement and an example of this agreement can be found in **Appendix (B)** to this policy document.



7.10.7 When a top up is agreed, NCC will pay the full amount to the residential/nursing home provider and recover the top-up amount from the customer.



7.10.8 NCC will administer top-ups in accordance with the duties set out in the Care Act Statutory Guidance (Annex A: Choice of accommodation and additional payments).

## 7.11 Obtaining Security

7.11.1 In order to enter into a Deferred Payment Agreement, NCC must have adequate security in place. In line with Care Act Statutory Guidance, NCC must accept the following form of security:

- a. \*A legal mortgage charge on a property via the Land Registry i.e. a 1<sup>st</sup> charge.

*\* Where a property is jointly owned, NCC will request all owners consent and agreement to place a charge on the property. All owners will need to be signature of the charge. The agreement will require the co-owner(s) to agree to the sale of the property for the purpose of repaying the debt due to NCC.*

7.11.2 NCC can also use its discretion to agree other forms of adequate security for circumstance where a legal charge on a property cannot be secured. These may include:

- a. A 3<sup>rd</sup> party guarantor – subject to the guarantor offering an adequate form of security
- b. A solicitors undertaking letter
- c. A valuable object such as a painting/work of art
- d. An agreement to repay the amount deferred from the proceeds of a life insurance policy

7.11.3 NCC has full discretion on a case-by-case basis to refuse a deferred payment agreement if it is not satisfied that adequate security is in place.

## 8. Interest rate and administration charge

 8.1 NCC will recover the costs of administering the deferred payment scheme in line with the Statutory Guidance for the Care Act. This national guidance outlines how local authorities should intend to operate a cost neutral deferred payment scheme.

8.2 The deferred payment scheme provided by NCC includes an administration charge for costs associated with the arrangement and on-going management of a deferred payment agreement. NCC also applies a rate of interest to the agreed amount deferred to cover the cost of lending.

8.3 The administration charges and interest for a deferred payment can be added on to the total amount deferred as they are accrued, although a person can request to pay these separately if they choose. The NCC deferred payment agreement

(an example of this agreement can be viewed in **Appendix (A)** to this policy document) explains that all fees deferred, including any interest and administrative charges incurred, must be paid in full by the person entering into the agreement.

8.4 Prior to entering into a deferred payment agreement with NCC, information will be made available on the rate of interest that will be charged on a deferred amount. The person will also be informed of when interest rates are likely to change.

8.5 The rate of interest applied to deferred amounts will be reviewed on a regular basis and will be maintained in accordance with the guidance for the national maximum rate as detailed within the Statutory Guidance for the Care Act. The same rate of interest will be applied to all deferred payment agreements with NCC and on review, any changes to the rate of interest will be applied to all the agreements NCC has entered into.

8.6 The interest charged and added to the deferred amount will accrue on a compound basis. An interest charge that is compounded means that the interest is initially calculated on the agreed loan amount, but also then on the



accumulated interest for each period thereafter. Interest will continue to accrue on a compound basis until the deferred amount, along with all accrued interest and incurred administration charges, are repaid to NCC in full. The approach to charge interest on a compound basis for deferred payments is in line with the Statutory Guidance for the Care Act.

8.7 Interest can accrue beyond the point where the equity limit is reached. It can also accrue after the death of the customer up until the point at which the deferred amount is repaid to NCC. If the NCC cannot recover a possible debt for an agreement and seeks to pursue this through the County Court system, NCC may consider charging the higher County Court rate of interest.

8.8 The administration charge a person will be liable to pay through entering into a deferred payment agreement with NCC includes costs associated with the set up and on-going management of the agreement. These costs may include (but are not limited to) the following:

- a. registering a legal charge with the Land Registry against the title of the property, including Land Registry search charges and any identity checks required;
- b. undertaking relevant postage, printing and telecommunications;
- c. costs of time spent by those providing the service;

- d. cost of valuation and re-valuation of the property;
- e. costs for removal of charges against property;
- f. overheads, including where appropriate (shares of) payroll, audit, management costs, legal service.

**@** 8.9 A list and the details of the administration charges that a person can be liable to pay can be found on the through the NCC website. The charges set for 2015/16 can be found in **Appendix (C)** to this policy document. The charges will be subject to a review on an annual basis, which will include increases in line with RPI.

## 9. Deferred Payment Agreement

### 9.1 The Agreement

- 9.1.1 Where someone chooses to enter into a deferred payment agreement, NCC will aim to have the agreement finalised and in place by the end of the 12-week disregard period (where applicable) or within 12 weeks of the person approaching NCC regarding deferred payments in other circumstances.
- 9.1.2 Decisions on a person's care and support package, the amount they intend to defer, the security they intend to use and the terms of the agreement, should only be taken into account following a discussion between NCC and the customer. Once the agreement in principle has been reached between NCC and the applicant, it is the NCC's responsibility to transpose the details agreed into a deferred payment agreement, taking the legal form of a contract between NCC and the applicant.
- 9.1.3 NCC will provide a hardcopy of the deferred payment agreement to the applicant, allowing the applicant 14 days to read and consider the agreement, which will be time period for the applicant to query any clauses and discuss the agreement further with NCC before signature and return.
- 9.1.4 An example of the NCC deferred payment agreement can be found in **Appendix (A)** to this policy document.

### 9.2 Contractual responsibilities for the council

- 9.2.1 NCC will provide customers with six-monthly written statements with an update on the amount of fees deferred, interest and administrative charges accrued to date, the total amount due and the equity remaining in the security.

9.2.2 A written statement will be provided by NCC to the customer within 28 days if requested.

### **9.3 Contractual responsibilities for the customer**

9.3.1 The deferred payment agreement sets out various contractual requirements for the individual. An example agreement can be found in **Appendix (A)** to this policy document.

9.3.2 The agreement requires the individual to notify NCC of any changes in their income. The agreement also contains provisions requiring the adult to notify the authority of changes in their need for care and support, if those changes are ones which will mean that the authority must or is entitled to stop making further instalments under the agreement or to alter the amount of the instalments.

9.3.3 NCC requires that appropriate arrangements are in place to maintain a person's home while they are in residential/nursing care. In particular, that their home is maintained adequately and that adequate insurance for their property is in place.

9.3.4 Additionally the agreement requires the customer to obtain NCC's consent before allowing someone to move into the property after the agreement has been made.

### **9.4 Terminating the agreement**

9.4.1 A deferred payment agreement can be terminated in three ways:

- a. At any time by the individual, or someone acting on their behalf, by repaying the full amount due (this can happen during a person's lifetime or when the agreement is terminated through the deferred payment agreement holder's death);
- b. When the property (or form of security) is sold and the authority is repaid;  
or
- c. When the person dies and the amount is repaid to NCC from their estate.

9.4.2 On termination, the full amount due (including care costs, interest accrued and administrative or legal fees charged) must be paid to NCC.

9.4.3 If a person decides to sell their home, they should notify NCC during the sale process. The person will be required to pay the amount due to the local authority from the proceeds of the sale and NCC will be required to relinquish the charge on their property.

- 9.4.4 A person may decide to repay the amount due to NCC from another source, or a third party may elect to repay the amount due on behalf of the customer. In either case, NCC should be notified of the person's/the third party's intention in writing and NCC will relinquish the charge on the property on receipt of the full amount due.
- 9.4.5 If the deferred payment is terminated due to the person's death, the amount due to NCC must be either paid out of the estate or paid by a third party. A person's family or a third party may wish to settle the debt to NCC by other means of repayment and NCC will accept an alternative means of payment in this case, provided this payment covers the full amount due.
- 9.4.6 NCC will wait at least two weeks following the person's death before approaching the executor with a full breakdown of the total amount deferred (but a family member or the executor can approach NCC to resolve the outstanding amount due prior to this point).
- 9.4.7 Responsibility for arranging for repayment of the amount due (in the case of payment from the estate) falls to the executor of the will.
- 9.4.8 Interest will continue to accrue on the amount owed to NCC after the individual's death and until the amount due to NCC is repaid in full.
- 9.4.9 If the agreement is terminated through a person's death, the amount owed to NCC under a deferred payment agreement falls due 90 days after the person has died. After this 90 day period, if NCC concludes active steps to repay the debt are not being taken, for example, if the sale is not progressing and NCC has actively sought to resolve the situation (or NCC concludes the executor is wilfully obstructing sale of the property), NCC may enter into legal proceedings to reclaim the amount due.
- 9.4.10 In whichever circumstance an agreement is terminated, the full amount due to the local authority must be repaid to cover all costs accrued under the agreement, and the person (and/or the third party where appropriate) must be provided with a full breakdown of how the amount due has been calculated. Once the amount has been paid, NCC will provide the individual with confirmation that the agreement has been concluded, and confirm (where appropriate) that the charge against the property has been removed.

### **10. Monitoring and review**

- 10.1 NCC will review the deferred payment agreement and supporting information on a regular basis for the following reasons:

- a. Changes in need for care and support
  - b. Check insurance of a property including those that are empty
  - c. Property revaluations that will be required on an annual basis and will require a new valuation of the property to be submitted upon request
  - d. Properties that are to be sold
  - e. Properties that are rented out
  - f. Payment schemes that are close to the maximum deferral amount allowed
  - g. Insurance policies used as security
  - h. Paperwork checks on items that are registered as security against care payments
- 10.2 Any breaches in terms and conditions may result in the termination of the deferred payment agreement.

### **11. Appeals and complaints**

- 11.1 NCC promotes the right of its customers to raise a concern or make a complaint if they feel something has been undertaken incorrectly or if they feel it has been addressed poorly.
- 11.2 This policy explains how the NCC deferred payment scheme aligns with the Care Act Statutory Guidance and the mandatory criteria for a deferred payment. If a customer feels they would like to appeal an application decision for a deferred payment, they can do so by contacting NCC's Complaints and Representations Service.
- 11.3 If a person has a complaint concerning the deferred payment application process, this also should be directed to the NCC Complaints and Representations Service.



- 11.4 For further information how to contact the NCC Complaints and Representations Service, please visit the NCC website.

## 12. Equalities

12.1 NCC believes in the dignity of all people and their right to respect and equality of opportunity and life chances. We value the strength that comes with difference and the positive contribution that diversity brings to our County.

12.2 Under the [Equality Act 2010](#), NCC and its staff are fully committed to the public sector equality duty to:

- a. eliminate discrimination, harassment and victimisation
- b. advance equality of opportunity
- c. foster good relations

12.3 We recognise and accept that discrimination means some people may not have had equal access to support or universal services or fair chances in life.



12.4 The Council's Equality policies and strategies are available on the Council's [website](#).

## 13. Glossary of terms

<b>12 week property disregard</b>	The value of a customer's main residence is excluded from their financial assessment to determine their contribution to their care for the first 12 weeks of their permanent care (or extra sheltered/supported living) placement. After which time the value of their property is included
<b>1<sup>st</sup> Charge</b>	1st charge relates to the registration of a legal charge on the charges register at Land Registry in order to secure a debt.
<b>Appropriate valuation</b>	There are a number of ways to value someone's interest in a property. One way is to obtain an open market valuation. If the ownership is complicated, a more specialised type of valuation may be required.
<b>Arranged Provision</b>	Services arranged by the County Council or one of its partner organisations.
<b>Care Act 2014</b>	The new care regulations

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<b>Compound interest</b>	An interest charge that is initially calculated on the agreed loan amount, but also then on the accumulated interest for each period thereafter
<b>Continuing Health Care Funding (CHC)</b>	NHS funds a customer's placement after an authorised CHC funding assessment by an appropriate person.
<b>CRAG Guidelines</b>	Charges for Residential Accommodation Guide. Separate national guidance for residential accommodation that is not part of this Policy. These will be replaced by the Care Act from 1 <sup>st</sup> April 2015.
<b>Deferred Payment</b>	Usually set up after a 12 week property disregard period. This allows a customer to defer paying the full cost of their care fees less any assessed contributions. The Council would secure the customer's deferred debt with a charge against their former home.
<b>Deferred Payment Agreement (DPA)</b>	A contractual agreement between the customer and the Council.
<b>Disposable Income Allowance</b>	An amount the customer may wish to be left with from their income during a deferred Payment.
<b>Equity Limit</b>	The maximum amount the Council will defer as a debt. It is a proportion of the total value of their interest in the property. This amount may vary over time.
<b>Extra Care Services</b>	Self-contained purpose-built accommodation that offer independent living with extra help if needed.
<b>Financial Assessment</b>	A process where a person's financial details are obtained in order to calculate their contribution to social care support.
<b>Land Registry</b>	They register the ownership of land and property in England and Wales. They keep and maintain the Land Register, where more than 23 million titles - the evidence of ownership - are documented.
<b>Lower Capital Limit</b>	For 2014/15 £14,250. If a customer has savings

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	and capital below this amount their assessed contribution is not affected by their savings and capital. If their capital is between £14,250 and the upper capital threshold limit (see below), their assessed contribution would include an element calculated from the amount they have above the lower capital limit.
<b>Mental Capacity</b>	'Mental capacity' means being able to make your own decisions.
<b>Social Care Assessment</b>	A customer's social care needs are established by having a social care assessment.
<b>Supported Living</b>	Supported living enables people to live in their own home instead of in residential care or with family. Individuals to have their own place, or share with others.
<b>Third Party Payment</b>	The Council may only assist with funding a customer's placement to a certain level dependent on their care needs. If the care home charge is more than the amount that the Council will assist with, the additional amount is a Third Party Payment (top-up). Usually, this needs to be paid by a third party, not the customer.
<b>Top-up</b>	See Third Party Payment above.
<b>Uninsurable Property</b>	A customer may not be able to get buildings insurance their property if it is at high risk to damage, e.g. from flooding.
<b>Unregistered Land</b>	Unregistered land is land that is not registered with HM Land Registry. It does not mean that it is not owned, the owner of unregistered land will often have paper deeds, which form a record of previous sales, mortgages and other dealings with the land.
<b>Upper Capital Threshold limit</b>	For 2014/15 £23,250. If a customer's total savings and capital is above the upper capital threshold limit, they will have to fund the full cost of the care.

**14. Appendices**

**14.1 Appendix (A) – Example NCC Deferred Payment Agreement**

*CARE ACT 2014  
DEFERRED PAYMENT AGREEMENT*

*NORTHAMPTONSHIRE COUNTY COUNCIL*

AND

*[INSERT NAME OF ADULT RECIPIENT OF CARE]*

*[PROPERTY: INSERT ADDRESS AND REGISTERED TITLE NUMBER OF PROPERTY  
ON WHICH AGREEMENT IS TO BE SECURED]*

# Northamptonshire County Council: Adult Services

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This Agreement is made between NORTHAMPTONSHIRE COUNTY COUNCIL (“the local authority”), of County Hall, George Row, Northampton NN1 1AW and [*insert name of adult recipient of care*] (“you”, “the borrower”), of [*insert address of adult recipient of care*].

## 1. Interpretation

1.1 In this agreement, the following words have the following meanings:

**Accommodation:** the care home identified in Schedule 1, as it may be amended in accordance with term 2.7 below;

**Agreement:** the terms set out in this document and numbered 1 to 15, Schedule 1;

**Care Charges:** those charges for care and/or support which are specified by description and the weekly amount in Schedule 1, as they may be amended in accordance with any of terms 2.7, 2.8 or 2.10 below;

**Costs:** the local authority’s reasonable administrative costs reasonably incurred in respect of this Agreement, which are payable under term 4 below, estimates for some of which are given in Schedule 1 on page 38;

**Debt:** the balance from time to time of the Loan which has not yet been repaid, together with any interest and Costs already charged and not yet paid;

**Loan:** the total amount, at any time, which has been lent under this Agreement to pay Care Charges or, where the local authority is the care provider, the total amount of Care Charges which have been deferred, and the words “lend”, “lending” and “lent” are used in this Agreement to describe the act of deferring a Care Charge or Care Charges payable to the local authority.

**Lending Limit:** the limit on lending as set out in Schedule 1 (see also term 2.2);

**Property:** the property and any other assets identified on page 25 of this Agreement;

**Rate of Interest:** the rate of interest stated in Schedule 1, as it may be varied under term 3.3.

- 1.2 Where a reference is made in this Agreement to any legislation or legislative provision, it includes reference to that statute or statutory provision as it may from time to time be amended, extended or re-enacted.
- 1.3 Where the context allows or requires, words in the singular include the plural and words in the plural include the singular.
- 1.4 Where a reference is made in this Agreement to your income, it means your income as calculated in accordance with regulations made under section 17 of the Care Act 2014.

### **2. How the Loan will be made**

- 2.1 The local authority agrees, subject to the Lending Limit and to the limits related to income, as set out in 2.8 to 2.10 below to lend amounts to you, the borrower. Each amount will be subject to a maximum of the weekly Care Charge specified in Schedule 1 or, if less, the weekly care charge which is actually payable and which meets the Description of Care Charges in Schedule 1. The Loan will be made by deferring your obligation to pay Care Charges which are payable to the local authority. The details of the Accommodation and the Care Charges are set out in Schedule 1 at the end of this Agreement, together with the Lending Limit.
- 2.2 If the Loan would exceed the Lending Limit as a result of the local authority lending an amount that it would otherwise be due to lend for Care Charges, the local authority will not lend that amount. This means, for example, that if 90% of the value of the Property, less the amount of any indebtedness secured over the Property by a charge with priority over the local authority's security and less £14,250, is £70,000, and you have already been lent a total of £70,000, you will not be lent any more unless or until the value of the Property increases. However, where, due to a fall in the value of the Property, the Loan comes to exceed the Lending Limit on a date which falls after the date on which the local authority last lent an amount in respect of Care Charges and on or before the date on which it is next due to lend an amount in respect of Care Charges, the local authority will lend on that next occasion even though lending on that occasion will result in the Loan further exceeding the Lending Limit. After that, the local authority will not lend any further amount unless or until the value of the Property increases.
- 2.3 Where the Care Charges are payable to a care provider other than the local authority, the local authority will pay the amount of the Care Charges to the care provider.

## Northamptonshire County Council: Adult Services

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- 2.4 If there is any change in the frequency of the Care Charges or any change in the amount of the charges which the care provider is charging you for care, you must inform the local authority as soon as reasonably practicable, giving advance notice of any such change to the local authority whenever you have advance notice of the change.
- 2.5 You may, at any time, pay the Care Charges, or part of the Care Charges, yourself, when they become payable, in which case you must give advance notice to the local authority of the amount you are going to pay separately (“your contribution”), specifying whether your contribution is to be made on only one occasion or on a specified number of occasions or on each occasion when a Care Charge becomes payable until further notice.
- 2.6 The local authority will not be required to change the frequency with which, or the amounts in which, it lends under this Agreement any sooner than the fourteenth day after the local authority receives notice of any change in the frequency with which or the amounts which, as applicable, you are charged, or which you require the local authority to lend under this Agreement.
- 2.7 If you move from the Accommodation into another care home or other supported living accommodation, that new accommodation will be substituted as the Accommodation, and the care charges payable in respect of the new Accommodation (or if less that part of those new care charges which are equal to the existing Care Charges) will be substituted as the Care Charges if they meet the description which is given of the Care Charges in the Schedule or, where they do not meet that description, if the local authority is either required under the Care Act 2014 to agree to lend in respect of those care charges or permitted to do so under the Care Act 2014 and willing to do so. The times for payment of the Care Charges will be substituted for the times shown in the Schedule once at least fourteen days’ notice of those times has been given to the local authority.
- 2.8 The amount of the weekly Care Charge for which the local authority is to lend, as set out in Schedule 1, takes into account the fact that your income exceeds £144 per week and the fact that the local authority requires you to contribute to the payment of each weekly care charge, as it falls due, the amount by which your income exceeds £144 in that week. The weekly Care Charge for which the local authority will lend will be increased by an amount which is equivalent to any reduction in your income up to the

maximum of the weekly care charge which is actually payable and which meets the Description of Care Charges in Schedule 1, and subject to the Lending Limit.

2.9 The local authority may, upon giving you at least 30 days' written notice within 30 days after:

- (a) it comes to the attention of the local authority that your income has exceeded £144 in any week while this Agreement is subsisting, or
- (b) where, at or since the date of this Agreement, your income has already exceeded £144 per week, it comes to the attention of the local authority that your income has further exceeded £144 in any week while this Agreement is subsisting,

require you to repay the amount, if any, by which that part of the Loan already provided under this Agreement for Care Charges in respect of that week exceeded the difference between the care charges actually payable and the amount by which your income exceeded £144 in that week.

2.10 The local authority may, upon giving you at least 30 days' written notice within 30 days after it comes to the attention of the local authority that your income is to exceed, or further exceed, £144 in any week while this Agreement is subsisting, reduce the amount that it will lend in respect of the care charges for each subsequent week that your income is so to exceed £144 by the amount by which your income is so to exceed £144 in that week and the amount of the Care Charge specified in Schedule 1 will be amended accordingly.

2.11 The local authority will not lend any further amount under this Agreement, even where the total amount of the Loan already provided is less than the Lending Limit, at any time when:

- 2.11.1 you are no longer receiving care and support in a care home or in supported living accommodation;
- 2.11.2 in the reasonable view of the local authority your needs should no longer be met by the provision of care and support in a care home or in supported living accommodation;
- 2.11.3 the Property can no longer be insured against all usual risks, unless there are reasonable grounds for concluding that the site value of the Property,

disregarding any building on the property, is adequate security for the Debt, together with such further lending as is to be provided.

- 2.11.4 If your financial resources in terms of capital and as calculated for the purposes of the financial assessment carried out under section 17 of the Care Act 2014 are not more than the sum specified in regulation 12 of the Care and Support (Charging and Assessment of Resources) Regulations 2014 (currently £14,250) and since the date of this Agreement the Property has become occupied by your partner or by your child who is under 18, or by another member of your family who is aged over 60 or who is incapacitated or by a relative of yours who is aged over 60 or who is incapacitated and for the purposes of assessing your financial resources in terms of capital the local authority has decided to disregard the value of the Property.
- 2.12 The local authority will give you at least 30 days' written notice of the date on which the Lending Limit will be reached unless it is not reasonably practicable to do so because, for example, the Lending Limit is reached by reason of a fall in the value of the Property.

### **3. Interest**

- 3.1 Interest will be charged monthly on a compound basis.
- 3.2 Interest will be added to the Debt each month, on the date when an amount is lent to you for Care Charges, unless the interest is paid before that date.
- 3.3 The local authority may vary the Rate of Interest so as to reflect, in a proportionate and reasonable way any change in the cost of funding the Loan (or so much of such a change as the local authority may choose should be reflected in a variation to the Rate of Interest), upon giving you at least 14 days' written notice if the Rate of Interest is to be increased or without notice if the Rate of Interest is to be reduced, provided that:
- 3.3.1 the Rate of Interest may never exceed the maximum rate which the local authority is permitted to charge by regulations made under the Care Act 2014; and
- 3.3.2 if the local authority exercises its power to increase the Rate of Interest, it will also subsequently exercise its power so as to reduce the Rate of Interest so as to reflect, in a proportionate and reasonable way, any reduction in the cost of

funding the Loan which occurs after such increase or increases in the rate of interest.

#### **4. Costs and Interest on Costs**

- 4.1 You must pay the Costs, estimates for some of which are set out in Schedule 1 on page 38.
- 4.2 The Costs you have to pay will be the actual reasonable costs incurred in respect of this Agreement.
- 4.3 A copy of the local authority's current tariff of charges will be provided to you with this Agreement. The local authority will give you notice of any changes to the tariff of charges by sending you a copy of the tariff whenever it is changed, and you may obtain a copy of the current tariff of charges on request at any time.
- 4.4 The local authority will give you notice of any Costs incurred by the local authority and if you do not reimburse the amount of those costs to the local authority within 28 days after such notice is given, the amount of those costs will be added to the Debt and interest will be charged on the amount of those costs in accordance with term 3 above in respect of the period starting on the 29th day after notice of the costs was given to you until payment to the local authority.

#### **5. Repayment**

- 5.1 The Debt is to be repaid to the local authority on the earliest of the following dates:
  - 5.1.1 the date of any sale or other disposal of the Property;
  - 5.1.2 90 days after your date of death.
- 5.2 If the local authority provides any part of the Loan under this Agreement upon the mistaken assumption that it is required to provide that part of the Loan when in fact it is not and when you ought reasonably to realise that the local authority is not required to provide that part of the Loan (because, for example, you are no longer living in the Accommodation) that part of the Loan will be immediately repayable to the local authority, together with interest calculated in accordance with term 3 above.
- 5.3 If the local authority provides any part of the Loan under this Agreement upon the mistaken assumption that it is required to provide that part of the Loan when in fact it is

not and when it is not the case that you ought reasonably to realise that the local authority is not required to provide that part of the Loan, that part of the Loan will be repayable to the local authority, together with interest calculated in accordance with term 3 above, upon the local authority giving you not less than three months' notice to repay it.

### **6. Security**

- 6.1 The local authority's rights to repayment and to be paid interest and Costs under this Agreement are to be secured by a legal charge over the Property.

### **7. Possession and use of the Property**

- 7.1 The Property must not be let or occupied by any person without the local authority's prior written consent, which will not be unreasonably withheld provided that the property is to be occupied upon an assured shorthold tenancy which enables an order for possession to be obtained, after the expiry of an initial term of no more than 6 months, upon one month's written notice].

### **8. Insurance and maintenance of the Property**

- 8.1 If satisfactory evidence of a policy of insurance is not provided to the local authority that the Property is adequately insured against all usual risks, the local authority may itself insure the Property under an appropriate policy of insurance and against all usual risks unless there are reasonable grounds for concluding that the site value of the Property, disregarding any building on the property, is adequate security for the Debt, together with a reasonable amount by which it is anticipated that the Debt will increase in the foreseeable future.
- 8.2 The local authority will give you notice of any Costs reasonably incurred by the local authority in so insuring the Property and if the borrower does not reimburse the amount of those Costs to the local authority within 28 days after such notice is given, the amount of those Costs will be added to the Debt and interest will be charged on the amount of those Costs in accordance with term 3 above in respect of the period starting on the 29th day after notice of the Costs is given to you, or, if later than the 29th day after advance notice is given that such an item, or items, of Costs will be incurred, the date on which such item, or each such item of Costs is incurred. The local authority, or

any appropriately qualified person acting on behalf of the local authority, may, no more than once a year, and upon giving at least 14 days' notice to the borrower or other owner of the Property, inspect the Property for the purposes of ascertaining whether the Property is being maintained in reasonable condition and/or whether there are works of maintenance and/or repair which should be undertaken to the Property in order to preserve or restore its value.

- 8.3 The local authority, or any appropriately qualified person acting on behalf of the local authority, may, upon giving not less than 14 days' notice to you, carry out such works of maintenance and/or repair as the local authority reasonably considers should be undertaken to the Property in order to preserve or restore its value at or to a value which is adequate security for the Debt, together with a reasonable amount by which it is anticipated that the Debt will increase in the foreseeable future; provided that no more than 56 days and not less than 28 days before, you were given notice by the local authority (or any appropriately qualified person acting on behalf of the local authority) requesting that you carry out or have those works carried out, and those works have not been carried out to the reasonable satisfaction of the local authority or the appropriately qualified person.
- 8.4 In the event that the local authority has reasonable grounds to believe that works of maintenance and/or repair are or may be required as a matter of urgency, the notice requirements under 8.2 and 8.3 above are to be replaced with a requirement to take reasonable steps to notify you as soon as reasonably practicable.

### **9. Valuations**

- 9.1 The local authority will give you notice of any reasonable Costs reasonably incurred by the local authority in relation to the maintenance and/or repair of the Property and if you do not reimburse the amount of those Costs to the local authority within 28 days after such notice is given, the amount of those Costs will be added to the Debt and interest will be charged on the amount of those Costs in accordance with term 3 above in respect of the period starting on the 29th day after notice of the Costs was given to you until payment to the local authority.
- 9.2 If at any time the local authority has reasonable grounds for concluding that the Debt exceeds 50% of the value of the Property, the local authority may take reasonable steps

to ascertain the value of the property and in particular may instruct a suitably qualified valuer to inspect the Property and to provide a report to the local authority on the market value of the Property.

- 9.3 The local authority will give you notice of any reasonable Costs reasonably incurred by the local authority in obtaining a valuation report or otherwise ascertaining the value of the Property and if you do not reimburse the amount of those Costs to the local authority within 28 days after such notice is given, the amount of those Costs will be added to the Debt and interest will be charged on the amount of those Costs in accordance with term 3 above in respect of the period starting on the 29th day after notice of the Costs was given to you until payment to the local authority.

### **10. Keeping the local authority informed**

- 10.1 You must inform the local authority as soon as reasonably practicable if any of the following happens:

10.1.1 your income exceeds, or is expected to exceed, £144 in any week or, where your income has already exceeded £144 per week, it further exceeds, or is expected to further exceed, £144 in any week;

10.1.2 there is any change to the amount or frequency of your Care Charges;

10.1.3 you have not paid any Care Charge in full when it has become due (other than any which is payable to the local authority or which the local authority is to pay on your behalf under this Agreement);

10.1.4 you cease to live in a care home or supported living accommodation;

10.1.5 there is a change to your needs for care and support the effect of which is that you may no longer require your needs to be met by the provision of the Accommodation;

10.1.6 a decision is taken to sell or otherwise dispose of the Property or any of it.

- 10.2 You must, whenever asked to do so by the local authority, provide evidence to the local authority, as soon as reasonably practicable, that the Property is adequately insured against all usual risks. The local authority will not request the provision of such evidence during a period in respect of which evidence has already been provided to the local authority that the Property is adequately covered by an insurance policy, provided

that evidence has also been provided to the local authority that the premium and insurance premium tax payable for that policy have been paid.

### **11. Ending this Agreement**

11.1 This Agreement has no fixed duration.

11.2 You may bring the Agreement to an end at any time by giving reasonable written notice to the local authority and paying the whole of the Debt.

11.3 If you do not bring the Agreement to an end early under 11.2 above, the Agreement will come to an end when the Debt is paid in accordance with term 5 above.

### **12. Statements**

12.1 The local authority will provide you with a written statement, informing the you of the amount which you would have to pay to the local authority if you were to bring the Agreement to an end on the date on which the statement is sent or such later date as has been requested by you, and the amount of interest and Costs which have accrued since the Agreement was made:

12.1.1 at the end of the period of six months beginning with the date of this Agreement;

12.1.2 every six months after the date of the first statement; and

12.1.3 within 28 days of a request to the local authority for such a statement made by you or on your behalf.

### **13. How notices or statements are to be given**

13.1 Any notice or statement which the local authority is to give, or may give, to you under this Agreement is to be given by sending the notice by first class prepaid post to you at the Accommodation or to such other person and at such address as has been agreed between the Local Authority and you from time to time.

13.2 Any notice which you give to the local authority under this Agreement is to be given by contacting [insert details for oral contact] or by written notification to [insert contact details].

13.3 Any notice or statement which is sent by first class prepaid post is to be treated as having been served on the second day after it is posted, excluding Sundays and public holidays.

### **14. Applicable law**

14.1 The interpretation, validity and performance of this Agreement shall be governed by the law of England and Wales.

### **15. Variation**

15.1 Any variation to this Agreement must be in writing and signed both by the borrower and on behalf of the local authority.

### **Borrower's signature**

**Please read this Agreement carefully, including all the terms set out above, the information set out below and the terms and information set out in the Schedules at the end of the Agreement. Only sign below if you understand and accept those terms and information.**

**Signed by the borrower or on behalf of the borrower\*:**

**Full name of signatory in block capitals:**

**Date of signature:**

\*If you have signed on behalf of the borrower you are declaring that you have either explained the contents of this agreement to the borrower or that you have the legal authority to act on their behalf and understand the Agreement that you are signing. If you are in any doubt, please seek independent legal advice prior to signing.

**Signed on behalf of the local**

**authority: Name of person signing:**

**Position of person signing:**

**Date of signature on behalf of the local authority and date of Agreement:**

### **Missing payments**

If you do not make payment when it falls due, legal proceedings may be issued against you for a judgment for the amount you owe and/or for possession of the Property. It could also make it more difficult or expensive for you to obtain credit in the future.

### **Complaints**

If you or any guarantor is dissatisfied with any action or omission on the part of the local authority under or in connection with this Agreement, in the first instance please write to *[insert appropriate local authority contact details]* or telephone *[insert appropriate local authority contact details]*.

## SCHEDULE 1

**Accommodation:** *[Insert name and address of care home or supported living accommodation]*

**Description of Care Charges:** *[insert either: charges which the local authority considers to be necessary to meet the borrower's needs while the borrower is living in the*

*Accommodation or: charges include, in addition to the charges which the local authority considers to be necessary to meet the borrower's needs, the following charges which are being incurred to meet the borrower's preferences: [insert details of the additional costs and the preferences to which they relate]].*

**Weekly Care Charge:** £[ ]

The Care Charges specified above are those Care Charges for which the Loan is to be provided by the local authority under this Agreement. The total payable for your care and support while the borrower is living in the Accommodation may be more than the Care Charges shown above.

**Date when first Care Charge to which this agreement relates will be incurred:** [ ]

**Lending Limit:** the lower of:

- (1) 90% of the market or surrender value of the Property less:
  - (a) the total amount of any indebtedness secured on that asset, or those assets, by security which has priority over the local authority's security, and
  - (b) £14,250; and
- (2) *insert maximum amount which the parties have agreed may be lent.*

**Rate of Interest:** [ ]% subject to variation under term 3 on page 30.

**Estimated Costs:** £[ ] for setting up the agreement; £[ ] for the annual review of the agreement; £[ ] for closing the agreement cancelling registration of the legal charge/discharging the security upon repayment of all sums payable under this Agreement.



6. IF the Resident is transferred from the Home without the Third Party's written consent this Agreement will terminate on the date the Resident leaves the Home.
7. ANY dispute or disagreement arising under this Agreement may be referred to the Council's Purchasing Manager who will attempt to resolve the matter without delay.

**SIGNED BY:**

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**SIGNED BY:**

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## 14.3 Appendix (C) – Scheme administration fee



Northamptonshire County Council

### Deferred Payment Scheme Scheme administration fee

Please ask for:  
Financial Assessment team  
0300 126 1000  
April 2015

The following scheme administration fees will be added on to the total amount deferred. A client or representative may request to pay these fees separately if they choose. The fees detailed below will be subject to review on an annual basis, which will include increases in line with RPI.

- **Set up - £105\***  
*Includes; registering a legal charge, property valuation and legal costs*
- **Annual review - £15\***  
*Includes; property valuation/equity check*
- **Closure - £20\***  
*Includes; removing a legal charge*

A rate of interest will be applied to the deferred payment scheme, including the administration fees, if added to the deferred amount. The rate of interest applied will be confirmed within the deferred payment agreement and updated accordingly through regular statements.

*\* A client opting for the deferred payment scheme may be liable for additional fees during the life of the scheme, which may include additional costs relating to property valuations and legal fees. A client will be liable for these additional fees up until the point the scheme is closed and the debt owed to Northamptonshire County Council, including any fees or charges outstanding, are paid in full. The client and/or representative will be notified in advance of whether any additional fees will be applied to the scheme that are in addition to set amounts identified above.*

w. [www.northamptonshire.gov.uk](http://www.northamptonshire.gov.uk)  
t. 0300 126 1000

