



Royal Borough of Windsor and Maidenhead

Deferred Payments Scheme

Guidance Notes for residents, relatives and carers

What you need to know

June 2015

NHS Windsor, Ascot
and Maidenhead



What is the Deferred Payments Scheme?

The Deferred Payments Scheme is designed to help you if you have been assessed to pay the full cost of your residential care, but cannot afford to pay the full weekly fees because most of your capital is tied up in your home.

The scheme offers you a loan from the Royal Borough of Windsor and Maidenhead ('the Council') using your home as security. It doesn't work in exactly the same way as a conventional loan, as the Council doesn't loan you a fixed sum of money when you join the scheme, but instead pays your weekly care home fees for as long as is necessary.

You will still be required to pay a weekly contribution towards your care that you have been assessed as being able to pay from your income and other savings. The Council loans you that part of your weekly fees that you can't afford until the value of your home is realised.

The part the Council lends is your 'deferred payment', and this is set up through a legal agreement between you and the Council.

The deferred payment builds up as a debt, which is cleared when your home is eventually sold. The debt may be repaid at any time if funds become available. Therefore, you do not have to sell your home during your life time if you don't want to. You may decide to keep your home for the rest of your life and repay the loan out of your estate, or you may wish to rent out your home to generate income.

If you do rent out your home, you will be expected to use the rental income to increase the amount you pay towards your residential care each week, thus reducing the weekly payments made by the Council, and reducing the eventual deferred payment debt.

Taking a deferred payment is a major financial decision. The Council strongly recommends that before you proceed you should take independent financial and legal advice to help you decide the best way of financing your care home fees.

More information about independent financial advice is available on Page 8 of this leaflet.

The Council is working in partnership with My Care My Home which is an independent organisation providing impartial advice and information on care and they can put you in touch with an independent financial advisor.

Please see the Council's web site for more information - www.rbwm.gov.uk

My Care My Home can be contacted on 0800 732 8470 or at www.mycaremyhome.co.uk

What you need to know about the Deferred Payment Scheme

The rules for the Royal Borough of Windsor and Maidenhead's scheme are as follows:

- You are responsible for meeting the full cost of your residential care because you own a property which means you are assessed to have capital in excess of the capital limit. The capital limit is £23,250 (April 2015)
- You lived in the Royal Borough before entering long term care, or are "Ordinarily Resident" in the Royal Borough.
- The 12-week property disregard period has come to an end. (The value of your property can usually be disregarded for up to 12 weeks when you first move into a Care Home)
- You have been assessed by one of our social worker practitioners and it is agreed that a Care Home (with or without nursing care) is the best way to meet your assessed needs.
- Your property is registered with the Land Registry. If not, you will need to arrange for it to be registered at your own expense.
- As a general rule there should be no mortgage, equity release scheme or other legal charge outstanding on the property. However, this criteria may be waived by the Council after consideration of the following factors to ensure it is satisfied that there is acceptable risk to it recovering monies advanced under a deferred payment agreement:

- The value of the equity you own in your property
 - The outstanding value of the mortgage or other legal charge
 - Your care circumstances and costs
 - Any other factor affecting the financial risk to the council should it agree to this waiver
- You do not have sufficient income to meet the full cost of your care, or savings over £23,250 other than the value of your home.
 - You do not wish to sell your home or, if you do, it may take some time and the funds will not be available quickly enough to meet the costs of your care.
 - The financial interest you have in your property, when it is sold, is worth enough to repay the contributions the Council has made towards the cost of your care.
 - You and any co-owners of the property agree to a legal charge being placed on your property, in favour of the Council in respect of the deferred payments and the Council is able to register the charge at the Land Registry.
 - You have mental capacity to agree to a deferred payment agreement or have a legally appointed representative willing to enter into a Deferred Payment agreement on your behalf.

Your agreement with the Royal Borough of Windsor and Maidenhead

If you decide to use the Deferred Payments Scheme, you will enter into a legal agreement with the Council by signing an agreement document. The Council then places a 'legal charge' on your property to safeguard its loan.

The agreement sets out both the responsibilities of the Council and your responsibilities, one of which is to make sure that your home is insured and maintained. If you incur expenses in maintaining your home while you are in a Care Home, these will be allowed for in the amount that you are assessed as contributing each week from your capital and income.

You can end the agreement at any time (for example, if you sell your home) and the loan then becomes repayable immediately. Otherwise the agreement ends on your death and the loan must be repaid within 90 days. If the debt is not repaid within 90 days the Council reserves the right to apply the County Court interest rate. At April 2015 the rate was 8%.

The Council cannot cancel the agreement without your consent.

Charging Interest

The loan will have interest charged on it in the same way a normal loan would be charged on money borrowed from a bank. The maximum interest rate that can be charged is fixed by the government. The rate charged is based on the cost of government borrowing, and will change on 1 January and 1 July every year. The Council will charge 2.65% from 1/4/15 - 30/6/15 and 2.25% from 1/7/15 - 31/12/15. The rate may change again from 01/01/16. Interest will be compounded on a daily basis.

The interest will apply from the date the Deferred Payment Agreement commences. You will receive regular statements advising you how your charge is being calculated and the amount of the outstanding loan on your deferred payment account.

Deferred Payments Agreement Fees

You will be required to pay:

- A setting up fee of £900 to cover the costs of arranging the Deferred Payment Agreement. This is made up of a non refundable charge of £200 payable when the Council accepts your application. The remaining £700 will be payable once the charge has been placed on the property.
- Annual fees of £300 to cover the cost of administering the agreement. These becomes payable on the first anniversary following commencement of the deferred payment and each year there on.

Invoices will be sent out for all fees. All fees (other than the first £200) will be added to your deferred payment and will be subject to the same interest rate charged for the remainder of the deferred payment.

Please let us know if you prefer to pay the fees as they become due.

Your Contribution towards your Care Home Fees

You will be required to make a contribution towards the cost of your care home fees from your income and savings. This amount is worked out by a financial assessment. You can choose to keep up to £144 per week of your income, or 25% of any rental income (whichever is higher) to meet your personal expenditure and the cost of maintaining and insuring your property. You can choose to keep the maximum amount or a lower amount. In deciding how much of your income you wish to retain you should be aware that the more income you retain, the faster the deferred debt will increase, and the quicker you will deplete your property capital.

You can still receive disability benefits (such as Attendance Allowance or the Care Component of the Disability Living Allowance or the Daily Living Component of Personal Independence Payments) while you defer your payments. We count these benefits as income when we work out your weekly contribution to your care home costs, therefore receipt of these benefits will reduce the amount you need to defer. More information about Disability Benefits is available on www.gov.uk, or from the Council's Assessment and Interventions Team. (see page 10 for contact details)

Other options

- There are various equity release products and care fee annuities which may be suitable for your personal circumstances.
- You may choose to pay the full cost of your care from your available income and savings or assets and with financial assistance from a family member.
- You may be able to come to a financial arrangement with the Care Home that you have chosen.
- You may choose to rent out your property, which could give you enough income to cover the full cost of your care. There are advantages to this as you will not accrue a debt or be liable for interest and administrative charges and your property will be occupied. Your tenant will be paying utilities and council tax which will reduce your outgoings

Renting Out Your Property

If you wish to rent out your property while on a Deferred Payment Agreement you should seek independent financial and legal advice. If you are applying for a Deferred Payment Agreement and are proposing a letting arrangement, you **must** obtain the Council's consent before proceeding with the proposed letting arrangement.

If your property is already let, you should seek legal advice before proceeding with a Deferred Payment Agreement to confirm the length of tenancy and termination clauses.

We will include your rental income as part of your assessed weekly contribution to your care and support. You must make sure your property insurance is appropriate to a letting arrangement.

Your responsibilities during the life of the Deferred Payment Agreement

You must:

- Have a responsible person willing and able to ensure that necessary maintenance is carried out on the property to retain its value. This can include heating the property during periods of cold weather;
- Insure your property to the full replacement value at your expense;
- Pay all contributions you are assessed to be able to afford from your income and savings in a timely and regular manner. If you fail to pay these contributions on a regular basis the council reserves the right to add this debt to the loan amount.

Please note:

Acceptance of any application under the scheme is subject to you meeting the rules of the scheme, and the Council being able to register a charge on your property.

How do I find independent financial advice?

Independent Financial Advisers (IFAs) provide 'regulated' financial advice. They are fully trained and qualified to provide financial advice and must meet standards set by and regulated by the Financial Conduct Authority (FCA).

IFAs don't receive money for recommending certain financial products, so they aren't biased towards recommending a particular financial solution for you.

Some IFAs hold additional, specialist qualifications which show they have knowledge and understanding of the things you should consider when you make decisions about paying for your long-term care. You can find more information about Specialist Care Fee Advisers from the Money Advice Service (www.moneyadviceservice.org.uk) - an organisation set up by Government to provide advice and guidance about money matters.

The Society of Later Life Advisers (SOLLA) accredits advisers who are qualified in providing advice about long term care planning and care fees. Search their website www.solla.org.uk to find a local accredited adviser

The Council works in partnership with "My Care My Home" to help you access independent financial information and advice about paying for care and support. Call free on 0800 731 8470 or email info@mycaremyhome.co.uk to discuss your financial options in more detail or arrange for an adviser to visit you at home. This service is free of charge.

My Care My Home can also refer you to other financial advice services, including services regulated by the Financial Conduct Authority (FCA). There may be a charge for independent financial advice services - My Care My Home will always advise you this before making a referral.

Please see the Council's web site for more information - www.rbwm.gov.uk

To apply for the scheme or request further information

If you wish to apply for the scheme you will need to complete an application form. This should be done as soon as possible in order for the Deferred Payment Agreement to start following the end of the 12 week property disregard period.

If you are already working with a financial assessment officer they will be able to provide an application form or further information. Otherwise please contact the Assessment and Interventions Team

Assessment and Interventions Team

Email: financialassessmentandbenefits@rbwm.gov.uk

Telephone: 01628 683231 or 01628 796686

Address: Assessment and Interventions Team (Social Care)
Royal Borough of Windsor and Maidenhead
Town Hall, St Ives Road
Maidenhead SL6 1RF

Comments, compliments and complaints

The aim of Adult Services is to make sure that local people get the best possible care at times when they need our help. However, there may be occasions when you are unhappy with what we are doing, or feel that you are being denied the help that you need.

Listening, Responding and Improving

Comments

We would like to hear from you if you have a suggestion on how we can improve our service. You can write, email or tell us in person. Suggestions will be passed on to a relevant manager.

Compliments

If you are particularly happy with our service then please let us know so we can do more of the same. You can write, email, phone or tell us in person. We will then record your compliment and pass this on to the staff involved.

Complaints

If you wish to provide feedback on our services, you can tell the person you are dealing with or their manager what the issue is about. Alternatively you can contact the Customer Care Co-ordinator.

We would encourage you in the first instance to make contact with the officer, or team manager of the service you are experiencing issues with, as we aim to put things right the first time.

However, if this does not happen, the Customer Care Co-ordinator can assist if you need further help to make your complaint, or require an advocate to help you tell us what you want to say. You can call our Customer Care Co-ordinator for an informal discussion or complaints leaflet on 01628 796721 or send an email to social.services@rbwm.gov.uk.

The Royal Borough of Windsor and Maidenhead Adult Services,
York House, Sheet Street, Windsor SL4 1DD

Email: Access.services@rbwm.gov.uk

Telephone: 01628 683744