

**NEATH PORT TALBOT COUNTY BOROUGH COUNCIL
SOCIAL CARE, HEALTH AND WELLBEING CABINET
BOARD**

4th APRIL 2019

**Report of the Director of Social Services, Health and
Housing – A. Jarrett**

Matter for Decision

Wards Affected: ALL

DEFERRED PAYMENTS POLICY

Purpose of the Report

1. To approve the deferred payments policy (Appendix A) in accordance with the Social Services and Wellbeing (Wales) Act 2014 i.e. SSWB Act 2014.

Background

2. The Social Services and Well-being (Wales) Act 2014 states that Councils must “offer” a resident who owns a property (where no qualifying person resides at the address) a Deferred Payment Agreement, subject to the resident meeting the specified eligibility criteria.
3. Where a home owner is admitted into Residential Care (on a long term basis), and no qualifying person resides at the address, then the property would be taken into account, in the resident’s financial assessment. This occurs usually twelve weeks from the date of a long term admission (i.e. there would be a twelve week property disregard period, unless the resident has initially privately funded their placement for a period in excess of twelve weeks).
4. A Deferred Payment would provide a resident (in the above circumstances) with the ability to defer a proportion of their care costs until a later date, in order that they would not be required to sell their property, immediately following the care home admission. The Council

would therefore provide the resident with financial assistance (i.e. as the resident cannot yet access the capital tied up in the property), whilst placing a charge on the property for the amount deferred, which would be recovered, following the eventual sale.

5. The Agreement will be for the duration of a resident's stay in a care home, such shorter period (as the resident so wishes), until the equity in the property falls to the relevant Capital Limit, the resident passes away, or until the resident decides to sell their property, in order to pay for their care costs.
6. Where the agreement ends due to the death of the resident, the amount owed should be repaid 90 days following death. If the Council conclude that active steps are not being taken (i.e. to sell the property and repay the debt) within 90 days, then the Council may enter into legal proceedings to recover the amount due.
7. A resident must meet specified criteria to qualify for a deferred payment agreement; these are detailed in the policy in Appendix A.
8. In order that Deferred Payments operate on a cost-neutral basis, the Act allows for Councils to recover any associated costs with the offering of Deferred Payments. These associated costs (which should not exceed the actual cost to the Council) could therefore be added to the total deferred amount (or invoiced separately). A full list of rechargeable costs is shown in schedule 3 at the end of the Deferred Payments Policy.
9. The Council has discretion to charge interest at any point during the agreement. Compound Interest can be added to the Agreement 0.15% above the Market Gilt rate (currently 1.5%) published twice yearly in the Economic and Fiscal Policy, by the Office of Budget Responsibility.
10. It is recommended that the Council charge interest from the date the agreement is terminated or if terminated due to the death of the service user 30 days after the date of death. Appendix B shows the level of interest that could be received if interest was charged from the date of the agreement.
11. There are circumstances where the Council cannot enter into a deferred payments agreement, including where:
 - i. The resident lacks mental capacity, and does not possess a registered Deputy/Attorney to act on their behalf.
 - ii. The property is un-registered, and a charge cannot be placed.

- iii. The resident refuses the Deferred Payment Agreement, or does not meet the qualifying conditions.
12. Where the above circumstances arise, the Council might advise the resident that they will need to meet the full cost of their care, and the resident would therefore be required to make private arrangements with the care provider (i.e. without the Council's involvement).
13. However, as the resident would not have the physical means to pay their fees (as their capital is tied up in the property), a Safeguarding issue would arise, where the resident would not be in a position to sustain the cost of care; in these situations, Councils would be expected to provide interim financial assistance, in order to secure the care home placement, and ensure the resident's needs are met.
14. Where the above occurs, Councils would still have the ability (under The Act) to place a charge on a resident's property (Section 70 "Recovery of Charges" and Section 71 "Creation of a Charge over an Interest in Land"), but would not be able to charge any interest on the amounts outstanding (until after the death of the resident). In order to place a charge, Councils would firstly need to generate an invoice, with the charge being the most effective means of security, if the invoice is not paid within a sufficient timescale.
15. It would be in the Council's interest to secure a Deferred Payment Agreement (where possible), and place a charge against the resident's property. However, applying complex Compound Interest from the start, will act as a disincentive to the resident, to enter into a Deferred Payment Agreement – i.e. as we would technically be penalising a Deferred Payments resident (through applying Compound Interest), compared to residents who cannot/will not sign up to a Deferred Payment Agreement.

Financial Impact

16. By not charging interest the Council is forgoing the opportunity to generate income. Appendix B shows the level of interest that could be received if interest was charged from the date of the agreement. Based on the current maximum level of interest the Council can charge, and the Council offering 5 agreements per year the Council will forgo an estimated £6k per annum from year 3.

Legal Impact

17. The Deferred Payment Policy is in line with the SSWB Act 2014 and associated regulations.

Equality impact assessment

18. None required.

Workforce impacts

19. None.

Risk management

20. None.

Consultation

21. None required.

Recommendation

22. It is recommended that Members approve the Deferred Payment Policy as set out in Appendix A.

Reason for Proposed Decision

23. To comply with the requirements of the Social Services and Wellbeing Act 2014 to offer a deferred payment agreement.

Implementation of Decision

24. The decision is proposed for implementation after the three day call in period.

Appendices

Appendix A – Deferred Payments Policy

Appendix B – Interest Calculation

List of Background Papers

Social Services and Wellbeing (Wales) Act 2014 and associated Regulations (Part 4 and 5 Code of Practice).

<http://gov.wales/topics/health/socialcare/act/code-of-practice/?lang=en>

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NEATH PORT TALBOT COUNTY BOROUGH
COUNCIL

DEFERRED PAYMENTS POLICY

IN ACCORDANCE WITH THE LEGAL
REQUIREMENTS OF THE SOCIAL SERVICES AND
WELL-BEING (WALES) ACT 2014 – PART 5
(CHARGING AND FINANCIAL ASSESSMENTS)

APRIL 2019

1. Introduction

The Social Services and Well-being (Wales) Act came into force on 6 April 2016. The Act provides the legal framework for improving the well-being of people who need care and support, and carers who need support, and for transforming social services in Wales.

Parts 4 and 5 of the Codes of Practice of the Act and the Care and Support (Deferred Payments) Wales Regulations 2015, sets out the new requirements for local authorities in relation to deferred payments.

Where a home owner is admitted into Residential Care (on a Long Term basis), and no qualifying person(s) reside at the address, then the property would be taken into account, in the resident's financial assessment, usually twelve weeks from the date of admission (i.e. there would be a twelve week property disregard period, unless the resident has initially privately funded their placement for a period in excess of twelve weeks).

A Deferred Payment would provide a resident (in the above circumstances) with the ability to defer/delay a proportion of their care costs until a later date, in order that they would not be required to sell their property, immediately following the care home admission – the Council would therefore provide the resident with financial assistance (i.e. as the resident cannot yet access the capital tied up in the property), whilst placing a charge on the property for the amount deferred/recoverable, following the eventual sale.

Agreements will be for the duration of a resident's stay in a care home, such shorter period (as the resident so wishes), until the equity in the property falls to the relevant Capital Limit, the resident passes away, or until the resident decides to sell their property, in order to pay for their care costs.

2. Core Principals

By entering into a deferred payment agreement a person, whose property is taken into account in their financial assessment, can defer or delay paying some or all of their care costs until a later date so as to not be required to sell their property immediately upon entering a care home. Deferring payment of these costs can help a person to delay the need to sell their home at a time that can be challenging (or even a crisis point) for them and their family as they make the transition into residential care.

A deferred payment agreement can provide additional flexibility for when and how a person pays their care costs. It should be stressed that payment is deferred and not written off – the care costs must still be repaid by the person (or a third party on their behalf) at a later date.

A deferred payment agreement can last for the whole period of a person's stay in a care home, or for as long as they wish (subject to the capital/equity held compared to the capital limit). This will provide them with time and flexibility to sell their property when they choose to do so and it is up to the individual to make that decision.

3. Eligibility Criteria

Deferred payment agreements are designed to avoid those persons who will be required to sell their home to pay their care costs from having to do this immediately and being able to do this at a time that suits them. Local authorities must offer a deferred payment agreement to people entering or in residential care who meet the eligibility criteria:

- someone whose needs are to be met by the provision of care and support in a care home,
- someone who is or will be required to pay a charge for their care
- the Council has carried out a financial assessment

The requirement to offer a deferred payment agreement to those individuals who meet the eligibility criteria does not apply unless the following conditions listed within the Regulations are met. These include where:

- the Council is satisfied the person has an interest in a property which the person occupies as their home, or which they used to occupy as their home;
- the value of the individual's capital assets (excluding their home), does not exceed the capital limit.
- the individual's weekly assessed income (as calculated under the Council Charging Policy) is insufficient to meet the full care costs for their residential accommodation in a care home;
- the individual is in agreement with all of the terms and conditions included in the deferred payment agreement offered;
- the Council has obtained consent from any other person who it considers has an interest over the property and which it considers may

prevent it from realising the sale of the property or recovering any deferred amount;

- the Council is able 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.

While the Council must offer a deferred payment agreement to a person who meets the eligibility criteria set out above, there will be situations in which a local authority may refuse a request for a deferred payment agreement where these are not met.

In any circumstance where any of the eligibility criteria for a deferred payment is not met, the Council can consider the nature of the non-compliance with this criteria and whether in any event to exercise discretion to offer a deferred payment agreement. For example, a person's property may be uninsurable for some reason but has a high land value, in which case the Council may choose to accept a priority charge against this land as security for the agreement instead.

When an application for a deferred payment is declined, the Council will provide the applicant or their representative with its written reasons for refusing the request. Information about the right to appeal against the decision will also be provided.

4. Information and advice

Under section 17 (Provision of information, advice and assistance) of the Act local authorities must provide information and advice to people about care and support. This extends to information and advice in relation to the availability of deferred payment agreements. In order to be able to make well-informed choices, it is essential that people access appropriate information and advice before entering into a deferred payment agreement. It is also important that people are kept informed about their agreement throughout its duration and that they receive appropriate information upon it at its eventual termination.

The Council will provide appropriate information to enable the individual to make a decision on whether to apply for a deferred payment agreement, this will include:-

- set out the criteria governing eligibility for an agreement;
- requirements that must be adhered to for the duration of the agreement;
- clearly identifying which care costs would be deferred and make clear that they must still be repaid at a later date, for example through the sale of their property (including following the death of the person);
- explain the security that the Council is prepared to accept (see the section entitled 'Obtaining Security' below);
- explain that the total amount they can defer will be governed by the level of their care costs, compared to the value of the property (the person has an interest in) used for the deferred payment agreement;
- explain the implications that a deferred payment agreement may have on a person's income, their entitlement to any welfare benefit and the application of the charging regime;
- provide an overview of potential advantages and disadvantages of entering into a deferred payment agreement and explain what other options may be available to a person as a way of paying their care costs;
- explain (when this applies) the 12-week property disregard (as set out in the Council's charging policy), which could afford those eligible for a deferred payment additional time to consider other options for paying their care costs;
- explain the circumstances where the Council may cease to defer further care costs;
- explain whether interest would be charged on the deferred amount (i.e. the required amount) and if so, the level of this;
- explain whether administrative costs would be charged for establishing and maintaining the agreement and if so, the level of these;
- explain how an agreement can be terminated and what happens on termination of the agreement, including how the required amount due for repayment is to be repaid and the options for so doing;
- explain what happens if the required amount due is not repaid in full in the manner or time a local authority specifies;
- advising individuals to consider taking independent financial advice prior to entering into a deferred payment agreement.

The Council will also advise people that where they have a property they have an interest in, they will need to consider how they plan to use, maintain and insure their property if they take out a deferred payment agreement; that is whether they wish to rent it out, prepare it for sale, or leave it vacant for a period.

5. How much can be deferred

In principle a person should be able to defer all their care costs, subject to any contribution their financial assessment has determined they are required to pay towards this cost from their assessed income. Regulations set out that a deferment can be for:

- 100% of the care costs due from the individual, less any amount they are required to pay towards these costs from their assessable income (i.e. their assessed client contribution)
- a lesser amount as the individual requests, less any amount they are required to pay

The Council will consider whether an individual can provide adequate security for the amount of the deferment agreed (i.e. the likely duration of the deferral, projected costs and how care needs and costs may increase over time and the equity available to recover the amount loaned).

If the individual has expressed a preference for a care home that costs more than the Council's usual rate for the type of care home they require, the care home may charge the person in certain circumstances, or a third party, an additional cost. Where this occurs and the individual requests that the additional cost forms part of the amount to be deferred (i.e. to be included in the required amount), the Council will also consider whether the total amount being requested as a deferred payment agreement is appropriate for the value of the security to be used for the agreement.

Where an individual intends to secure their deferred payment agreement against their interest in a property, The Council will obtain a valuation of that property. Reasonable property valuation costs will be passed onto the individual as part of the administrative costs and the Council will also charge for putting an agreement in place. An individual may request an independent assessment of the property's value (in addition to the Council's valuation). If an independent assessment finds a substantially differing value to the Council's valuation, the Council and the individual will discuss and agree an appropriate valuation prior to proceeding with the agreement.

6. Contributing to care costs from other sources

The share of their care costs that an individual defers will depend on their income and the assessed resident contribution they will be required to make, based on this income.

The Council would financially assess the resident to make a contribution towards the care costs from an individual's weekly assessed income (as calculated under the Council's Charging Policy), where it is above the level of the appropriate minimum guarantee as set out in the Regulations.

An individual may choose to keep less of the appropriate minimum guarantee should they wish. This might be advantageous to the individual as they would be contributing more towards their care costs from their income, and consequently reducing the amount they are deferring (and accruing less debt to the Council overall). However, this must be entirely at the decision of the individual and the Council will not ask the person to retain less if they want to retain the full amount.

If an individual decides to rent out their property during the course of their agreement, the Council will permit the person to retain 10% of any rental income they secure.

An individual may also benefit from contributions to their care costs as a result of payments made by a third party, or from income not taken account of in a financial assessment should they wish to do so. Contributing to care costs from another source would be beneficial to the individual as it would reduce the amount they are deferring (and hence reduce their overall required amount owed to the Council). The Council will not ask a person to contribute to their deferred payment from these sources.

7. Obtaining security

Adequate security must be provided for the amount deferred. This includes care costs as well as any associated interest and administrative costs which have been deferred.

The Council will accept as adequate security a legal charge in favour of the Council on the property which the service user owns (either solely or jointly) as their only or main residence

The Council will obtain written consent (and agreement) to a charge being placed on the property. In cases where there are more than one owner, the Council will obtain consent (and agreement) from all owners. All owners will then need to be signatories to the charge agreement and where there are co-owners, they will need to agree not to object to the sale of the property for the purpose of repaying the required amount due to the Council.

The Council will obtain similar consent to a charge being created against the property from any other person who has a beneficial interest in the property.

The property must be registered with the Land Registry before a deferred payment agreement can be offered. Registration and all other fees and charges relating to registration are the responsibility of the property owner(s)

8. Maintenance, insurance and use of secured property

The Individual or representative will at all times ensure that there is adequate insurance against all risks and shall ensure that the Council's interest in the Property is noted on the policy of insurance.

The individual or representative shall ensure that the Property is maintained in a reasonable condition to safeguard the value of the Property and the Council's interest in the property.

The Property must not be let or occupied by any person without the Council's prior written consent.

9. Interest Rates

The Council can charge interest on any amount deferred, including any administrative costs deferred. The national maximum interest rate is 0.15% above the "relevant rate". The relevant rate will change every six months on 1st January and 1st July to track the market gilts rate specified in the most recently published report by the Office of Budget Responsibility.

The Council will charge interest from the date of termination of a deferred payment agreement or if the termination is due to the death of the service user 30 days from the date of death.

The interest charged will be added to the deferred amount and will be compounded and accrue up to the point where the loan is repaid.

If for some reason the Council cannot recover the required amount it is owed in a deferred payment agreement, and pursues this through the courts, the Council will charge the County Court rate of interest in that instance.

10. Administration and Legal Costs

The administrative costs can be, if requested by the individual added to the total required amount deferred as they accrue, although the individual may request to pay these separately if they chose.

The Council will publish a schedule of costs relevant to deferred payments (schedule 3)

The Council will seek to recover costs incurred in setting up the deferred payment agreement and on-going costs including:

- registering a legal charge with the Land Registry against the title of the property, including Land Registry search charges and any identity checks required;
- cost of time spent by those providing the agreement;
- cost of valuation and re-valuation of the property;

11. Making the agreement

Where an individual chooses to enter into a deferred payment agreement, The Council will aim to have the agreement finalised and in place by the end of the 12-week disregard period which is provided for in the Financial Assessment Regulations (where applicable), or within 12 weeks of the person approaching the local authority regarding an agreement in other circumstances.

The Council will provide a hardcopy of the deferred payment agreement to the individual (schedule 1), and they will be provided with reasonable time to read and consider the agreement, including time for the individual to query any clauses and discuss the agreement further with the Council.

The agreement clearly sets out all terms, conditions and information necessary to enable the individual to ascertain his or her rights and obligations under the agreement.

The Council will ensure at a minimum that individuals sign or clearly and verifiably affirm that they:

- have received adequate information on options for paying their care costs,
- understand how the agreement works,
- understand the agreement they are entering into,
- have had the opportunity to ask questions about the agreement.

A term reflecting this is included in the agreement itself.

The Council will provide individuals with six-monthly written updates of the:

- amount of care costs deferred,
- interest and administrative costs accrued to date,
- total amount due,
- estimate of the equity remaining in the home not covered by the required amount deferred.

The Council will also provide the person with a statement on request within 28 days.

12. Circumstances in which local authorities may stop deferring care costs

There are also circumstances where the Council may refuse to defer any further care costs for an individual who has an active deferred payment agreement in place. This refusal may be permanent or temporary depending upon whether the reason for it is a permanent or temporary change in the individual's circumstances.

The Council will not demand repayment of the whole required amount deferred in these circumstances and repayment of that amount is still subject to the usual terms of termination.

The Council will provide advance notice that further deferred payments are going to cease and will provide the individual with an indication of how their care costs will need to be met in future. Depending on their financial circumstances, the individual may be required to meet all or part of their care costs from their weekly assessed income where this is more than the appropriate minimum income amount or from any savings they hold above the level of the capital limit.

The Council will only exercise these powers to cease a deferred payment agreement after consideration as to the impact the decision will have on the

individual's financial circumstances and the Council's overarching duties to meet an individual's assessed social care needs.

Circumstances in which the Council may refuse to defer any further care costs include:

- when an individual's total capital (including the value of the remaining equity in their property once the required amount deferred is taken into account) falls to the level of the capital limit so that the person becomes eligible for financial support from the Council in paying for their care costs;
- when the person's weekly assessed income (under the Council's charging policy) becomes sufficient to meet the full care costs for their residential accommodation in a care home;
- where a person no longer has need for care in a care home;
- if a person breaches certain predefined terms or conditions of their agreement and the Council's attempts to resolve the breach are unsuccessful;
- if, under the Council's charging policy the value of the property subsequently becomes disregarded for any reason and the person consequently qualifies for local authority support in paying their care costs.

13. Termination a deferred payment agreement

A deferred payment agreement can be terminated in three ways:

1. At any time by the individual by repaying the outstanding care costs (including any outstanding interest and administrative costs) due in full (this can happen during an individual's lifetime or when the agreement is terminated through the agreement holder's death)
2. When the property is sold and the authority is repaid
3. When the service user dies and the amount is repaid to the Council from their estate.

On termination, the full required amount deferred due must be paid to the Council. Once payment has been received the Council will relinquish the charge on the property.

If the deferred payment is terminated due to the individual's death, the amount due to the Council must be either paid from the estate or paid by a third party. An individual's family or a third party can settle the debt to the Council by other means of repayment if they wish, so as to avoid selling the property against which the deferred payment agreement had been secured. Where they do, the Council will accept the alternative means of payment, provided this payment covers the full amount due to the Council.

The Council will wait at least two weeks following the individual's death before approaching the executor with a full breakdown of the total amount deferred (but a family member or the executor can approach the Council to resolve the outstanding amount due prior to this point). Responsibility for arranging for repayment of the amount due (in the case of payment from the estate) falls to the executor of the will.

Interest will accrue on the amount owed to the Council 30 days after the individual's death until the amount due to the Council is repaid in full.

If terminated through a service user's death, the amount owed to the Council under the deferred payment agreement falls due 90 days after the individual has died. After this 90 day period, if the Council concludes active steps to repay the debt are not being taken, for example if the sale is not progressing and the Council has actively sought to resolve the situation (or the Council concludes the executor is wilfully obstructing sale of the property), the Council may enter into legal proceedings to reclaim the amount due.

In whichever circumstance an agreement is terminated, the full amount due to the Council must be repaid to cover all costs accrued under the agreement, and the individual (and/or the third party where appropriate) will be provided with a full breakdown of how the amount due has been calculated. Once the amount has been paid, the Council will provide the individual or the appropriate third party with confirmation that the agreement has been concluded, and confirm (where appropriate) that the charge against the property has been removed.

14. Use of financial information and privacy

The information the Council collects and keeps about individuals is confidential and can only be seen by authorised staff. This information will only be shared with other relevant people and agencies in accordance with the Data

Protection Act 1998 or with the written consent of the individual or their legally appointed representative. All individuals have the right to see information that the Council keeps about them at any stage.

15. Review and complaints

Where a deferred payment agreement has been refused by the Council, the applicant or their representative has the right to ask for the decision to be reviewed

If an individual is still unhappy with the Council's decision they will be able to make a formal complaint about this to the Council, this will be considered through the Social Services complaints procedure.

16. Contact Details

The financial assessments team can be contacted by telephone on 01639 686422 between 9am - 5pm Monday to Thursday and 9am - 4:30 pm on Fridays.

In writing to:

Financial Assessments Team
Civic Centre
Neath
SA11 3QZ

17. Schedules

1. Deferred payments agreement
2. Deferred payments application form
3. Deferred payments fees and charges

Schedule 1

Social Services and Well-being (Wales) Act 2014

DEFERRED PAYMENT AGREEMENT

Neath Port Talbot County Borough Council

AND

[Resident [acting by [name of Attorney or Deputy]]

[and]

[Co-Owner]

[and]

[Mortgagee]

In relation to [address of Property]

THIS AGREEMENT is made as a DEED on the (date to be completed when agreement is executed by all parties)

BETWEEN

- (1) Neath Port Talbot County Borough council of Civic Centre, Port Talbot SA13 1PJ (“the Local Authority”)

AND

- (2) [insert name of Resident] of (address of Resident) [acting by [name of donor of PA] as his/her attorney/deputy [specify instrument of appointment]]

AND

- (3) [(insert where applicable the details of the Mortgagee) (“the Mortgagee”)]

AND

- (4) [(Insert the Name of the Co-owner) of (address of Co-owner) (“the Co-owner”)]

BACKGROUND

- (1) The Resident has moved into a Care Home and can request to delay or defer paying part or all of the Fee until a later date so as to not be required to sell his/her property immediately upon entering a care home.
- (2) Local Authorities must offer a Deferred Payment Agreement to those persons entering or in a care home who meet certain criteria governing eligibility under the Care and Support (Deferred Payment)(Wales) Regulations 2015.
- (3) The purpose of this Agreement is to set out the terms upon which the Local Authority will lend amounts of money to the Resident for the purpose of paying his or her care home fees, which shall be paid by the Local Authority on the Resident’s behalf.
- (4) This Agreement allows the Local Authority to place a Legal Charge over the Resident’s [and the Co-Owner’s] Property as security for the payment of the Debt that the Local Authority incurs in making payment to the Care Home on behalf of the Resident.
- (5) The Resident agrees to the Legal Charge being placed over the Property upon the terms and conditions set out in this Agreement and the Legal Charge.

AGREED TERMS AND CONDITIONS

1. Interpretation

1.1 In this agreement, the following words shall mean:

Arbitrator:	A person appointed by agreement between the parties or in the absence of agreement within 14 days of one party giving notice to the other of its nomination or nominations nominated by the President on the application of either party
Agreement:	The terms set out in this Agreement and numbered 1 to 19 and Schedule 1 to 3
Capital Limit	The maximum amount of capital, assessed in accordance with the Financial Assessment Regulations, which the Resident may have, above which the Resident will be required to pay the full cost of his or her residential care. The Capital Limit is specified in Regulation 11 of the Care and Support (Charging) (Wales) Regulations 2015 as amended.
Care Home:	The residential care home identified in Schedule 1 or such alternative care home as may be amended in accordance with the terms of this Agreement
Costs:	The costs associated with deferring the Resident's care costs including the administrative costs associated with the Agreement, including legal and valuation fees and the ongoing operating costs of the Agreement together with any interest accrued thereon (where applicable) as set out in Schedule 3 to this Agreement
Debt:	The balance of money from time to time that the Resident owes to the Local Authority in respect of entering into this Agreement (to include costs for the avoidance of doubt) together with any interest accrued thereon (where applicable)
Fee(s):	The fees of the Care Home as set out in Schedule 1 which may increase from time to time
Financial Assessment:	The assessment by the Local Authority of the Resident's financial resources carried out in accordance with The Care and Support (Financial Assessment) (Wales) Regulations 2015

Interest:	The sum payable at the Rate of Interest on the Fees and Costs outstanding
Insured Risks:	The risks of loss or damage by natural disasters, fire, explosion, aircraft, including articles dropped from aircraft, riot, civil commotion, malicious persons, subsidence, earthquake, storm, tempest, flood, bursting and overflowing of water pipes, tanks and other apparatus, and impact by road vehicles and falling trees and any other risks the Local Authority from time to time by notice to the Resident reasonably requires the Resident to insure against
Legal Charge:	The form of security for the Debt that the Resident owes to the Local Authority as set out in Schedule 2 which is capable of being registered as first legal charge in favour of the Local Authority at the Land Registry
Loan	The total amount, at any time, which has been lent under this Agreement to pay Care Charges, Costs and Interest and the words “lend”, “lending” and “lent” are used in this Agreement to describe the act of lending any amount to pay a Care Charge or Care Charges to the care provider, Costs and Interest
President	Means the President for the time being of the Royal Institution of Chartered Surveyors, the duly appointed deputy of the President or any person authorised by the President to make appointments on his behalf
Property:	The property which the Resident either owns or has a beneficial or equitable interest as set out in Schedule 1
Rate of Interest:	The rate of interest charged will be the national maximum interest rate, which is 0.15% above the relevant rate. The relevant rate is the weighted average interest rate on conventional gilts specified for the financial year in which the relevant period starts in the most recent report published before the start of the relevant period by the Office of Budget Responsibility under section 4(3) of the Budget Responsibility and National Audit Act 2011. The relevant period is the period starting on 1 January and ending on 30 June in any year or 1 July and ending on 31 December in any year

Representative: A person acting on behalf of the Resident under a Power of Attorney or as a Deputy appointed by order of the Court of Protection and identified in the first page of this Agreement

Statement: Financial statement issued to the Resident which details the Debt broken down into the amount of Fees, Costs and Interest as at the date of issue. For the avoidance of doubt the figure may increase due to the addition of compound interest

- 1.2 Where a reference is made in this Agreement to any legislation or legislative provision, it includes reference to that 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 64 of the Social Services and Well-being (Wales) Act 2014

2. Powers of the Local Authority

- 2.1 The Local Authority is exercising its powers:
 - 2.1.1 to provide a Deferred Payment Agreement in accordance with sections 35, 36 and 68 of the Social Services and Well-being (Wales) Act 2014 and The Care and Support (Deferred Payment) (Wales) Regulations 2015;
 - 2.1.2 to charge for the services and administration of providing and or arranging care in accordance with sections 57 and 59 of the Social Services and Well-being (Wales) Act 2014;
 - 2.1.3 and all other enabling powers available to the Local Authority in concluding this Agreement.

3. The Property

- 3.1 The Resident has an interest in the Property which the Resident occupies or used to occupy as their home. The Local Authority has carried out a Financial Assessment and is satisfied that the Resident does not have adequate capital and/or income to pay the Care Home Fees in whole or in part at this time [OR the Resident has expressed a preference for certain accommodation that is available at an additional cost.]

- 3.2 The Resident would like to enter into this Agreement so that the Local Authority will pay the Fees [*OR* pay a proportion of the Fees].
- 3.3 Where the Resident chooses to enter into a Deferred Payment Agreement the Local Authority must obtain a valuation of the Property. The Local Authority will invoice the Resident for such valuation costs. The Resident can opt to pay these costs as and when they arise or for the costs to be added to the Debt. If the Resident does not inform the Local Authority in writing within 28 days of the costs arising of his or her intention to pay the costs outright then the costs will be added to the Debt.
- 3.4 The Resident may also choose to carry out an independent valuation of the Property which shall be undertaken by a Fellow/Member of the Royal Institute of Chartered Surveyors at the Resident's expense. Where there is a difference in the valuations of the Local Authority and the Resident, the valuation may be agreed in writing between the Local Authority and Resident or (in the absence of agreement) shall be determined by the Arbitrator who shall decide the value at which the Property might reasonably be expected to obtain by sale in the open market at the date of the valuation. The arbitration shall be conducted in accordance with the Arbitration Act 1996 except that if the Arbitrator nominated shall die or decline to act the President may on the application of either party discharge the Arbitrator and appoint another in his place
- 3.5 The Local Authority may undertake periodic reviews and carry out valuations of the Property to ensure the Resident's equity/capital remains above the required Capital Limit. The Local Authority will invoice the Resident for such costs. The Resident can opt to pay these costs as and when they arise or for the costs to be added to the Debt. If the Resident does not inform the Local Authority in writing within 28 days of the costs arising of his or his intention to pay the costs outright then the costs will be added to the Debt.
- 3.6 The Resident acknowledges and accepts that the Local Authority is providing a loan to the Resident and that loan is repayable. The purpose of this Agreement, amongst other things, is to set out the terms and conditions that apply to the loan, when repayment will be due, and any other ancillary matters in connection with it.

4. The Loan

- 4.1 The Local Authority agrees, subject to the Financial Assessment and any further future Financial Assessments, to loan amounts of money to the Resident, subject to a maximum amount of the Fee and the Costs together with any interest accrued thereon (where applicable). For the avoidance of doubt this sum of money is referred to as the Debt in this Agreement.

- 4.2 The Local Authority will require a contribution towards the care costs from a residents weekly assessed income (as calculated under the Charging Regulations), where it is above the level of the appropriate minimum guarantee as set out in regulation 6 (Adult's contribution) of the Regulations.
- 4.3 The Resident may choose to keep less of the appropriate minimum guarantee should they wish or contribute from any other sources of income. This might be advantageous to the Resident as they will be contributing more towards their care costs from their income and consequently reduce the amount of the Debt.
- 4.4 If a Resident decides to rent out their property during the course of the agreement, the Local Authority will permit the Resident to retain 10% of any rental income they secure with 90% of the income being taken into account in the Financial Assessment
- 4.5 The loan will be made by deferring the Resident's obligation to pay the Debt due to the Local Authority.
- 4.6 The Resident may, at any time repay the Debt on giving not less than 28 days written notice to the Local Authority and requesting a Statement of the proposed repayment date. The Statement shall set out the total Debt at the requested date.
- 4.7 Where the Resident decides to pay all or part of the Fees, and/or Costs, and/or any interest accrued thereon (where applicable) Schedule 1 will be amended following the payment and the Local Authority shall send an updated Statement which shall be deemed to be incorporated into this Agreement.
- 4.8 Where the Resident moves accommodation from one care home to another care home, the address shall be substituted in Schedule 1 and those Fees will be amended to reflect any price change. For the avoidance of doubt the new Fees will replace the old Fees in Schedule 1 from the applicable date, the Debt will continue to accrue and this Agreement shall continue.
- 4.9 The Local Authority will re-assess the Resident's client contribution at least annually and may re-assess the Resident's client contribution when notified, or becomes aware of a change in the Resident's circumstances.
- 4.10 The sums set out in Schedule 1 will change and the Resident agrees and accepts that the Fees, and/or Costs and/or any interest accrued thereon (where applicable) may change over the duration of this Agreement. Such changes may be brought about in, but not limited to, the following circumstances:
 - 4.10.1 If there is any change in the Fees;
 - 4.10.2 If there is any change in the Resident's financial circumstances and their assessed contribution;

- 4.10.3 If there is any other change in circumstances;
- 4.10.4 There is any change in the Costs.
- 4.11 If any change occurs in accordance with clause 4.10 above, the Local Authority will send an updated Statement setting out the amount of Debt at any given time.
- 4.12 The Local Authority may refuse to defer any further Fees and or Costs despite the existing Agreement in certain circumstances. Such circumstances may include:
 - 4.12.1 The Resident's total capital falls below the Capital Limit and the Resident is no longer responsible for the full cost of their care
 - 4.12.2 The Resident's income is of a sufficient level to meet the full care costs
 - 4.12.3 Where there is a breach of the terms of this Agreement by the Resident
 - 4.12.4 Where the value of the Property becomes disregarded and the Resident consequently qualifies for Local Authority support in paying their care costs
 - 4.12.5 Where in the reasonable view of the Local Authority the Resident's needs should no longer be met by the provision of care and support in a care home
 - 4.12.6 Where the Property can no longer be insured against all of the Insured Risks , unless there are reasonable grounds for concluding that the 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
- 4.13 Where the Local Authority proposes to cease deferring any further Fees and Costs it shall provide advance notice to the Resident, together with proposals for how their care costs may be met in the future.
- 4.14 Interest shall begin to accrue on the Fees and any Costs from the date that the deferment ceases as set out in a notice sent under clause 4.13 and will be calculated on a compound basis.

5. Ownership and Beneficial Interest

- 5.1 The Resident confirms that there is no other beneficial interest in the Property whether by way of mortgage, legal charge or otherwise affecting the Property which will require the consent of any other third party to the creation of the Legal Charge which will be created by this Agreement OR
- 5.2 The Mortgagee acknowledges and consents to the Resident entering into the terms of this Agreement and consents to the registration of a Legal Charge which will be created under the terms of this Agreement

5.3 The Co-owner consents to the Resident entering into the terms of this Agreement. The Co-owner agrees that he/she will join as a party to the Legal Charge which will be created under the terms of this Agreement. The Co-owner agrees that he/she will do all things necessary and sign all forms of consent appropriate to securing the registration of the Legal Charge as first charge in favour of the Local Authority under the terms of this Agreement and does not object to any future sale of the Property in order to repay the Debt. The Co-owner acknowledges that they have been advised to seek independent legal and financial advice before signing this Agreement.

6 Costs

6.1 The Resident is aware and accepts that the Local Authority has incurred the Costs set out in Schedule 3. The Resident has been made aware of the Local Authority Costs applicable to this Agreement.

6.2 The Costs may be subject to any increase in charges that will be applicable when entering into this Agreement.

6.3 The Resident can opt to pay the Costs as and when they arise or the Costs can be added to the Debt and the Resident accepts that interest will be charged where applicable under this Agreement. If the Resident does not inform the Local Authority in writing within 28 days of the Costs arising of his or her intention to pay the Costs outright then the Costs will be added to the Debt.

6.4 For the avoidance of doubt any amendment to the figures contained in Schedule 3 once issued by the Local Authority shall not constitute a variation and shall be deemed to be incorporated into this Agreement from that date onwards.

7 Interest

7.1 The Resident is aware and accepts that the Local Authority will charge Interest on the Fees and any Costs of the Local Authority where applicable.

7.2 Interest will be charged from the date referred to in 7.4 and in any event the Local Authority will not exceed the nationally set maximum figure of interest.

7.3 The Resident must give the Local Authority at least 28 days written notice if he or she wishes for the Interest to be added to the Debt. In the absence of such written notice by the Resident the Local Authority will send the Resident an invoice in respect of any outstanding Interest to be paid by the Resident to the Local Authority and the Resident will pay the Interest within 30 days of the date of the invoice

7.4 Except where clause 4.14 applies Interest will accrue and be added 30 days after the date of death of the Resident.

7.5 It is acknowledged and accepted by the Resident that the Rate of Interest is likely to vary over time and may change in compliance with any amendment to the relevant legislation.

8 Costs and Interest on Costs

8.1 The Resident must pay the Costs of the Local Authority which include those elements set out in Schedule 3 or otherwise set out in this Agreement, some of which may be estimates.

8.2 Such Costs may increase during the term of this Agreement and if this occurs the Local Authority shall send an updated costs list in Schedule 3 to the Resident and such variation of Schedule 3 shall be deemed to be incorporated and replace the previous Costs set out in Schedule 3 for the applicable year.

8.3 Interest will be added to the Costs on a compound basis, where applicable in accordance with clause 7 above. The Resident can opt to pay the Costs as and when they arise or the Costs can be added to the Debt. If the Resident does not inform the Local Authority in writing within 28 days of the Costs arising of his or her intention to pay the Costs outright then the Costs will be added to the Debt.

9 Statements

9.1 The Local Authority will as a minimum send a Statement to the Resident either:

- 9.1.1 Every 6 months, or
- 9.1.2 At the end of the period of 6 months beginning with the date of this Agreement and every 6 months thereafter;
- 9.1.3 Within 28 days of a written request to the Local Authority for such a Statement made by the Resident or on the Resident's behalf

9.2 The Statement shall detail:

- 9.2.1 The amount the Resident would have to pay to the Local Authority if the Resident were to bring the Agreement to an end on the date of the statement, or such later date as has been requested by the Resident; and
- 9.2.2 The amount of the Debt which has accrued since the Agreement was made;
- 9.2.3 The Local Authority's calculation of how much estimated equity/ capital the Resident will have in the Property at the end of the year;
- 9.2.4 Any Costs that have been incurred by the Local Authority.

10 Ending this Agreement

- 10.1 This Agreement has no fixed duration however it may be terminated upon one the following trigger events:
- 10.1.1 At any time by the outstanding Debt being repaid in full. The Resident must give not less than 28 days written notice to the Local Authority and request a Statement of the proposed repayment date. The statement shall set out the Debt at the requested date
 - 10.1.2 When there has been a sale or disposal of the Property and the Debt to the Local Authority is repaid
 - 10.1.3 When the Debt is repaid to the Local Authority from the Resident's estate upon death of the Resident
 - 10.1.4 Where the Debt is no longer payable
 - 10.1.5 If the Resident or their Representative fails to comply with their obligations and undertakings under this Agreement or in relation to the security provided under the Legal Charge. In this case the Local Authority will request that the Debt is repaid in full within 30 days and if not possible at this stage commence legal proceedings.
- 10.2 Should this Agreement be brought to an end in accordance with clause 10.1 above, the Local Authority shall write to the Resident, Attorney, Deputy or Personal Representative(s) of the Resident's or Resident's estate to confirm the Agreement has been terminated.
- 10.3 When the Agreement has been terminated and the Debt repaid in full the Local Authority will relinquish the charge on the property and notify the Resident.

11 Variation

Any Variation to this Agreement save the financial information contained in the Statements (Clause 9 and 17.2) and or the address of the Care Home (Clause 4.8) must be in writing and signed by the Resident and the Local Authority and any other parties to this Agreement as required.

12 Applicable Law

The interpretation, validity and performance of this Agreement shall be governed by the law of England and Wales and only the courts of England and Wales shall have jurisdiction in relation to this Agreement.

13 Notices and Statements

- 13.1 Any notice or Statement which the Local Authority will provide under this Agreement shall be sent to the Resident at the Care Home address, his/her Attorney or Deputy or any other person at such address as has been agreed between the Resident or their Representative, and the Local Authority from time to time.

- 13.2 Any notice that the Resident or their Representative provides to the Local Authority under this Agreement shall be sent by second class prepaid post.
- 13.3 Such notice or Statement which is sent by second class post shall be treated as having been served on the third day after it is posted, excluding Sundays and public holidays.

14 Keeping the Local Authority Informed

- 14.1 The Resident must inform the Local Authority as soon as reasonably practicable and in any event within 28 days in writing if any of the following events occur:
- 14.1.1 The Resident's income exceeds that required by the Financial Assessment or is expected to increase to a level that would change the Financial Assessment;
 - 14.1.2 There is a change to the amount or frequency of the Resident's Fees;
 - 14.1.3 Fees are outstanding or have not been paid when they have become due (save those Fees that the Local Authority has agreed to pay);
 - 14.1.4 The Resident no longer lives in a Care Home or the Local Authority is no longer going to make arrangements for the Resident;
 - 14.1.5 There is a change in the Resident's needs for care and support which may affect the requirement to live in the Care Home;
 - 14.1.6 A decision is taken to sell, or otherwise dispose of the Property, or have any dealings with the Property that may impact the Local Authority's ability to use the Property as security for the Debt.

15 Insurance and Maintenance

- 15.1 The Resident will insure the Property on a fully comprehensive basis and with a reputable company, and keep it insured against damage or destruction by the Insured Risks in an amount equal to the full cost of rebuilding and reinstating the Property as new in the event of its total destruction including VAT, architects', surveyors and other professional fees, fees payable on application for any permissions, the cost of debris removal, demolition, site clearance and any works that may be required by statute, and incidental expenses and subject to annual index linking unless specified otherwise and shall ensure that the Council's interest in the Property is noted on the policy of insurance. The Resident, will make payment for the period upon which the Property is insured, and provide evidence of insurance to include the policy of insurance to the Local Authority prior to the commencement of this Agreement and upon request by the Local Authority. For the avoidance of doubt, the Resident will also be responsible for arranging contents insurance for the Property if required.
- 15.2 The Resident must comply with all requirements and recommendations of the insurers and fire authority and must not do or omit to do anything that could cause any insurance policy effected in accordance with this Agreement to become wholly or partly void or voidable. The Resident must immediately give notice to the Local Authority of anything that might affect any insurance policy effected in accordance with this Agreement, and of any destruction of or damage to the Premises, whether or not caused by one or more of the Insured Risks.

- 15.3 The Resident must produce to the Local Authority on demand every insurance policy effected in accordance with this Agreement and the receipt for the then current year's premium, and if so required must supply the Landlord with a copy of every such policy
- 15.4 If the Local Authority is not satisfied that the property is adequately insured then the Local Authority may take measures to insure the Property and charge the cost of the insurance back to the Resident. The Resident can request that the cost of the insurance is added to the Debt. If the Resident does not inform the Authority in writing within 28 days of the cost of insurance arising of his or her intention to pay the cost of the insurance outright then the Costs will be added to the Debt.
- 15.5 The Resident and any Co-owner shall ensure that the Property is maintained in a reasonable condition.
- 15.6 The Local Authority upon giving reasonable written notice may inspect the Property to ensure that the Property is being maintained in a reasonable condition and/or whether there are works or maintenance required to keep the Property in a good state of repair to preserve or restore its value.
- 15.7 Where any work is required to the Property the Local Authority or any appropriately qualified person acting on its behalf may carry out works or instruct that works are carried out on the Local Authorities behalf as the Local Authority reasonably considers necessary to keep the property in good order, providing that:
- 15.7.1 Subject to clause 15.9 the Local Authority has given 28 days' notice of the required works giving the Resident the opportunity to arrange for the required works to be carried out; and
- 15.7.2 That period has passed and the works have not been carried out; or have not been carried out to the reasonable satisfaction of the Local Authority.
- 15.8 The Resident and any Co-Owner accepts that the Local Authority has an interest in the Property being in a good state of repair to ensure that the value of the Property ensures security for the Debt.
- 15.9 The Local Authority may not provide reasonable notice where works are required to the Property as a matter of urgency however the Local Authority will notify the Resident as soon as is reasonably practicable.
- 15.10 The Local Authority shall provide the Resident with an invoice of costs in relation to such works and the Local Authority's time in arranging such works and shall provide a period of 28 days whereby the Resident can arrange payment. Where payment is not received by the Local Authority within 28 days then the Local Authority will add such costs to the Debt, which interest will be charged upon.

16 Possession of Property

- 16.1 The Resident and/or any Co-owner must not assign charge sub-let part with or share possession of the whole or any part of the Property or otherwise deal with or dispose of any interest in the Property including by way of Declaration of Trust without the Local Authority's prior written consent
- 16.2 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 providing the Property is to be occupied upon an assured short-hold tenancy which enables an order for possession to be obtained, after the expiry of an initial term of no more than six months, upon one month's written notice.

17 Security

- 17.1 The Local Authority's right to repayment of the Debt under this Agreement is to be secured by a Legal Charge over the Property in the form attached in Schedule 2. The Resident consents to the Legal Charge being registered against the property.
- 17.2 The Resident accepts that the Legal Charge will represent the amount of the Debt as at the date it is placed on the Property however the Debt will increase above this level. The Local Authority will issue Statements which set out the amount of the Debt as set out in clause 9. The amount of the Debt will continue to rise until the Debt is repaid. The Resident and the Local Authority acknowledge and accept that the value of the Debt will increase, and as such, each Statement will set out the total amount of the Debt owing under this Agreement.
- 17.3 For the avoidance of doubt the Statement does not represent a variation to this Agreement, once the Statement is issued by the Local Authority it shall be incorporated into this Agreement from that date onwards.

18 Repayment

- 18.1 The Debt is to be repaid to the Local Authority on the earliest of the following dates:
- 18.1.1 The date of any sale or other disposal of the Property;
- 18.1.2 The date 90 days after the Resident's date of death. If following this 90 day period active steps are not being taken to repay the debt the Local Authority will commence legal proceedings to reclaim the amount due
- 18.2 The Local Authority has entered into this Agreement with the Resident in good faith on the basis that either the Local Authority is required to defer the payment of Fees, or the Resident has requested such fees to be deferred, up to the maximum of the required amount calculated in accordance with The Care and Support (Deferred Payment) (Wales) Regulations 2015 or any amendment or similar legislation in force from time to time. The Resident or their Representative will be required to immediately repay all or parts of the Debt together with Interest and Costs if the Local Authority defers sums on the mistaken assumption that it is required to make such payments (and is not actually required to permit the Resident/their Representative to defer those sums) and

the Resident/their Representative should reasonably realise that they were not entitled to those sums.

19 Independent Legal Advice

19.1 The Resident or a Representative (where this Agreement is executed on behalf of the Resident) confirms that they have received:

- 19.1.1 adequate information in respect of payment options for their care; and
- 19.1.2 understands the terms of the Agreement and has received the opportunity to ask for any clarification prior to entering into this Agreement.

19.2 The Resident or a Representative of the Resident has been advised by the Local Authority to seek independent legal and financial advice before signing this agreement.

Signature

Please read this Agreement and its Schedules carefully, including all the terms and conditions set out above and the information contained below and only sign if you understand and accept those terms and conditions.

THE COMMON SEAL of NEATH)

PORT TALBOT COUNTY)

BOROUGH COUNCIL was hereunto)

affixed in the presence of:-)

Proper Officer

SIGNED AS A DEED by the said)

[ADD NAME] in the presence of:)

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

CARE HOME FEES

Care Home: (insert the address of the care home where the Resident is living and for which the payments will be made)

The Amounts Payable:

Who pays what? Complete the relevant section below – 1, 2 or 3.

Payment will be required in one of the following circumstances:

1) Where there is no additional payment

The Care Home's fees are	£	per week
The Resident's assessed contribution is	£	per week
The Local Authority will pay for the Resident the difference of	£	per week

2) Where an additional payment is due to be paid by the Resident but is being deferred

The Care Home's fees are	£	per week
The Resident's assessed contribution is	£	per week
The Resident's additional payment is	£	per week
The Local Authority will pay for the Resident the difference between the Care Home fees and the assessed contribution	£	per week

3) Where an additional payment is being paid by a third party

The Care Home's fees are	£	per week
The Resident's assessed contribution is	£	per week
The additional payment is	£	per week
The Local Authority will pay for the Resident the difference between the care home fees and the sum of the Resident's assessed contribution and the additional payment	£	per week

Proposed Legal Charge over the Property

HM LAND REGISTRY

[Administration Area: _____ Title No.: _____]

Property: _____

Date: _____

IN CONSIDERATION of the Deferred Contributions specified in the Deferred Payments Agreement made between the parties and dated
("the Agreement") receipt of which is acknowledged.

I _____ ("the Resident")

Of _____ [Insert current

address] and formerly of _____

[Insert former home address] and

I _____ ("the Co-Owner")

Of _____

_____ [Insert current address]

with full title guarantee CHARGE by way of legal mortgage the Property (as referred to in the Agreement) [being the land comprised in the title above referred to] with the payment to [Insert name of Authority] of [Insert address of Authority] ("the Authority") of the total amount of Deferred Contributions owing from time to time by the Resident to the Authority with interest at the rate and payable at the times specified in the Agreement.

Signed as a deed
by [Insert name of Resident or their authorised
representative (attorney/receiver)]: _____

Witness: _____

Name: _____

Address: _____

Signed as a deed
by [Insert name of Co-owner]: _____

Witness: _____

Name: _____

Address: _____

Signed as a deed
by Name of Authorised Authority Signatory: _____

Witness: _____

Name: _____

Address: _____

Costs

List of Costs that the Local Authority will charge for entering into this Agreement. In accordance with clause 8 this list may be amended from time to time if the Costs of entering into this Agreement should rise. In this circumstance the Local Authority shall send a copy of the Costs to the Resident and such updated list of Costs shall be deemed to replace any list in this Agreement from that date onwards without the need for a variation in accordance with clause 11.

One-off Set Up Costs	£
Legal costs for preparation of the Agreement and Legal charge	
Registered Properties at HM Land Registry	100.00
Unregistered Properties at HM Land Registry	200.00
Land Registry Official Copy Fee	6.00
Land Registry Search	3.00
Land Registry Registration Fee (<i>Dependent upon value of charge</i>)	TBC
Bankruptcy (K16)	2.00 per name
Valuation Fees	135.00
	<hr/>
Ongoing Annual Costs	
Valuation fees	135.00

Schedule 2



DIRECTORATE OF SOCIAL SERVICES
DEFERRED PAYMENT APPLICATION

Please ensure that you refer to the guidance notes at the back of the form to help you fill out the application fully and accurately.

Section A – resident’s details

Mr/Mrs/Miss/other Surname

First Names

Date of Birth/...../.....

Section B – representative applying on behalf of the resident

Mr/Mrs/Miss/other Surname.....

First Names.....

Address.....

.....

..... Post code

Telephone number: -

Relationship to resident:-

Do you have the legal authority to act on behalf of the person named in section A above? Yes / No

If **YES**, please state what authority you have

- Lasting Power of Attorney
- Enduring Power of Attorney
- Deputyship

(Please enclose a copy of such legal documentation with this form)

If **NO**, or if you are in the process of applying, we will not be able to proceed with your application until such arrangements are in place and a copy of the relevant legal documentation has been received.

Section C – details of the property

Address

.....

..... Post code

Please state if the person named in Section A is the –

- Sole owner, or
- Joint/co-owner

If a joint/co-owner, please state full name(s) & address of the other owner(s) as detailed on the property deeds:-

.....

.....

Please state the year that the property was purchased:-

Estimate up to date value of the property:- £.....

Is there an outstanding mortgage on the property:- Yes / No

If **YES**, please complete the following:-

Amount outstanding on the mortgage:- £

Mortgage Lender:-

(Please enclose a copy of a recent mortgage statement with this form)

Please state if you intend to rent out the property:- Yes / No

If **YES**, what is the expected weekly rental income:- £.....

Section D – other information

Please give any other information which you feel may be relevant

.....

.....

.....

.....

Section E – declaration

- I wish to make an application to the Deferred Payment Scheme and understand that acceptance of my application is at the discretion of Neath Port Talbot County Borough Council.
- I understand that the Deferred Payment is only effective where a Deferred Payment Agreement has been completed and that I can withdraw my application if I wish.
- I confirm that I own/jointly own the property stated in Section C and that I authorise Neath Port Talbot County Borough Council to carry out the necessary checks to confirm this.
- I agree to a Legal Charge with the Land Registry being placed on the property stated in Section C and that I shall meet such costs.
- I agree that I will be responsible for payment of my assessed weekly accommodation charges based on my income, as specified under Part 4 & 5 Code of Practice (Charging and Financial Assessment) of the Social Services & Well-being (Wales) Act 2014.
- I confirm that I have read and understood this application form and the accompanying leaflet and that I have been advised to seek independent legal & financial advice
- I understand that if information is needed as part of a criminal investigation, or to protect people from harm, this information will be shared as necessary
- I understand that Neath Port Talbot County Borough Council has a duty to protect the public funds it administers, and to this end may use the information provided for the prevention and detection of fraud. It may also share this information with other bodies responsible for auditing or administering public funds for these purposes.
- I authorise Neath Port Talbot County Borough Council to share the information; or to make necessary enquiries to check the information within the form with relevant Agencies in relation to the processing of my application
- I confirm that the information given in this form is to the best of my knowledge a true and accurate record

Signed Date...../...../.....

Print name.....

Signed on behalf of

Only sign on behalf of the resident if you are the person named in Section B and have the legal authority to act on their behalf

Guidance for completion of the application form

Please take time to read through the application form and gather together the relevant information you will need to ensure that the form is completed as accurately as possible. Any required information not supplied or completed incorrectly, may delay the application being processed.

If at any time you require addition guidance or clarification to help you complete the form, please contact the Financial Assessment Team.

Section A

The resident is the person who is/will be living within a residential care setting and wishes to defer accommodation charges (not including the assessed client contribution, which would be required to be paid to the care provider).

It should be made clear that the resident can only sign the form where they have the capacity to understand what it is they are signing and fully understand its implications.

Section B

If the resident does not have capacity, they will require a representative to act on their behalf.

You can only act as a representative if you have the legal authority to do so. This would be a legally recognised arrangement such as a Lasting Power of Attorney / Enduring Power of Attorney / Deputyship. Please supply a copy of the relevant legal documentation granting such authority with your application form.

If you do not have legal authority to act, we will not be able to process the application until such arrangements are in place. If you are in the process of applying, we will put your application on hold until we receive documentary evidence from you that it has been granted.

If you have Appointeeship granted from the Department of Work and Pensions (DWP), this only allows you to deal with a person's benefits and so you will need to make legal arrangements as outlined above.

Further advice on how to make such arrangements can be obtained from such agencies as the Office of the Public Guardian, Citizens Advice Bureau, local solicitor, voluntary/charitable organisations for older people etc.

Section C

If the property is jointly/co-owned by another person(s), we will need their full name(s) and current address.

If you are not sure if the property is jointly/co-owned, or you cannot access the property deeds to check, we will contact the Land Registry on your behalf to request that a search is completed to establish ownership.

It would be helpful if you can provide an estimated value of the property, which can usually be obtained from a local estate agency.

It is important that you let us know if there is an outstanding mortgage owed against the property and the amount. We will also require a copy of a recent mortgage statement from your lender to confirm this.

If you are renting out, or are going to rent out the property, please ensure that you inform us of this and the weekly rental income you receive/will receive. Such income is likely to make a difference to the weekly assessed accommodation charges you will need to pay.

Section D

Please provide us with any other information that you think may be relevant to your application, this may include such things as –

- If you are unable to confirm ownership of the property, or if the property is un-registered.
- A solicitor has been appointed to act with regards to the Deferred Payment Agreement.
- The property is being put up for sale
- An application to obtain Lasting Power of Attorney / Enduring Power of Attorney / Deputyship has been made.
- If the property is to remain vacant.

- If somebody is living at the property who may need to be aware that a Legal Charge will be placed against it.
- Documentary evidence required is being obtained and will follow.

Section E

We may share the information contained within your application with other agencies or organisations to enable us to carry out the necessary relevant checks while processing the application. We will only share your information with others in line with the law. By law, the agencies and organisations we share your information with have to keep it confidential and use it only for the purposes allowed.

Such information will be kept confidential and secure and you can ask to see it at any time, in accordance with the Data Protection Act.

If information is needed as part of a criminal investigation, or when we need to protect you or other people from harm, we may also share information, as necessary.

If the declaration is being signed by the representative, this must be the person named in Section B of the form.

Please ensure you carefully read and fully understand the declaration before signing and returning your application form.

Once you have submitted your application, we will confirm when it has been received.

If you change your mind and decide that you no longer want to proceed with your application, please let us know in writing.

We will write to you to confirm if your application has been successful or refused within 28 days. If refused, the reasons why and how to appeal will be clearly stated.

Schedule 3

Costs

List of Costs that the Local Authority will charge for entering into a deferred payment agreement. This list may be amended from time to time if the costs of entering into this Agreement should rise.

One-off Set Up Costs	£
Legal costs for preparation of the Agreement and Legal charge:	
Registered Properties	100.00
Un-registered Properties	200.00
Land Registry Official Copy Fee	6.00
Land Registry Search	3.00
Land Registry Registration Fee (<i>Dependent upon value of charge</i>)	40.00 – 910.00
Bankruptcy (K16)	2.00 per name
Valuation Fees	135
 Ongoing Annual Costs	
Valuation fees	135

Compound Interest Calculations

Assumptions

- Average length of stay in a care home is 2.5 years
- Maximum loan is £66,529 (based on 90% equity limit, average NPT house price of £113,921 and capital limit £40,000)
- Interest rate 1.7%
- Standard cost of residential care is £555.70 per week and average client contribution from income is £155.70, therefore increase in weekly loan of £400
- Costs in year one are £300 and from year two onwards £200

Below is a calculation of the interest in the first 3 years dependent on the interest rate

Interest Rate	Year 1			Year 2			Year 3		
	Costs	Interest	Total Loan	Costs	Interest	Total Loan	Costs	Interest	Total Loan
1.00%	21,100	116	21,216	21,000	328	42,544	21,000	542	64,087
1.70%	21,100	198	21,298	21,000	557	42,855	21,000	927	64,782
2.00%	21,100	233	21,333	21,000	661	42,994	21,000	1,099	65,093
3.00%	21,100	350	21,450	21,000	1,000	43,450	21,000	1,669	66,119
4.00%	21,100	468	21,568	21,000	1,343	43,912	21,000	2,253	67,165

With an average length of stay of 2.5 years, a single agreement could generate on average £1,218 in interest over the 2.5 years

If the Council offered 5 agreements per year, by the end of year 3 the amount of interest would be £6,090 (£1,218 x 5)