



DEFERRING PAYMENT OF CARE HOME FEES

for people who own their own homes



The contents of this leaflet are intended as a general guide only. They should not be treated as a statement of law. Independent financial and legal advice should be sought by those considering entering into a Deferred Payment Agreement.



Moving into a Care Home

If you have been assessed as needing to move into a care home, your income and capital will determine how much you will have to pay towards your care home fees.

If you are a homeowner, the value of your property is disregarded for the first 12 weeks you are in permanent care provided it is not sold or ownership transferred during this time. Thereafter, the value of your home is included in the capital considered to assess your contribution towards the cost of your care.

The value of your home may be disregarded if your spouse, partner, or an older (over 60 yrs) or disabled relative continues to live there.

What is a 'Deferred Payment'?

A 'Deferred Payment' is the money due to your local authority for your care home fees but for which payment is delayed so that you do not have to sell your home.

Who is eligible for a 'Deferred Payment'?

If you do not wish to sell your home, or cannot sell your home, you may be eligible for a Deferred Payment if you also meet the following conditions:

- you have been assessed as needing to move into a care home
- you own your home, and its value would normally be included in the financial assessment
- you do not wish to sell your home, or you are unable to sell it quickly enough to pay care home fees
- you have no more than £22,000 in capital (not including the value of your home)
- you agree, and are in a position to grant, Scottish Borders Council a standard security against your home for the amount you will owe. This is the total of any deferred payments plus any subsequent interest payable.

Discretion to defer payments

Scottish Borders Council has the discretion whether to grant or refuse a deferred payment request.

Amounts to be deferred

- The amount to be deferred is that which is attributable to the capital value of your home.
- You will continue to pay the assessed charge based on the income you receive and any other capital held.

When does the agreement end?

The Deferred Payment Agreement will terminate 56 days after the death of the property owner.

If the Service User commits a material breach of the Deferred Payment Agreement and fails to remedy such a breach within 14 days of receiving written notice by the Council to do so, the agreement will be terminated.

The agreement will also be reviewed when the amount of the deferred payment causes your capital including your property, to fall below the current limit of £35,500.

You can end the Deferred Payment Arrangement at any time by giving written notice and making payment in full.

Will I be charged interest on the amount owed to the local authority?

Deferred payments are interest-free until either you end the agreement or 56 days after your death. Interest will then be charged at a standard rate until the date of settlement in full from your estate.

How much will I have to repay Scottish Borders Council?

You will need to pay the actual costs of your care less any payments you are asked to make out of your income. We will send you invoices for information on an ongoing basis to keep you informed of how much this is.

Can I let my house?

With written permission from Scottish Borders Council, you may let out your home. However, in order to avoid the situation where your home could not be sold to reimburse the deferred payment, any lets must be on a short-term basis e.g. a 'short assured tenancy' agreement.

Any income you receive from renting your home will be considered in the financial assessment.

What if I have an outstanding mortgage?

You will require the mortgage lender's consent to a Deferred Payment Agreement being set up. If you have an outstanding mortgage, you must be able to continue to make the mortgage payments as well as paying your assessed contribution towards your accommodation costs.

What about other expenses for my home?

To protect the value of the standard security, the local authority will insist that your home is insured and maintained during the period of the Deferred Payment Agreement. The payment of this and other expenses for your home is your responsibility.

For information and advice about all Social Work Services, please contact us as follows:

Phone **0300 100 1800** Option 1

E-mail thehub@scotborders.gov.uk

Website www.scotborders.gov.uk

Opening hours:

Monday to Thursday 8:45am to 4:45pm

Friday 8:45am to 3:45pm

In an emergency and out of office hours, please telephone **01896 752111**

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