# LONDON BOROUGH OF BROMLEY

## Education, Care and Health Services

## Deferred Payment Policy
## April 2016

## CONTENTS


| | | Page |
|---|---|---|
| 1. | Legal Basis | 3 |
| 2. | Policy Aims | 3 |
| 3. | Services covered by this Policy | 3 |
| 4. | Key Principles | 4 |
| 5. | Information and Advice | 4 |
| 6. | The 12 week property disregard | 4 |
| 7. | Financial Assessment of contributions | 4 |
| 8. | Eligibility Criteria | 5 |
| 9. | Assessment of Applications | 6 |
| 10. | How much can be deferred | 6 |
| 11. | Obtaining Security | 8 |
| 12. | Interest and Administration Charges | 8 |
| 13. | Property Valuation | 9 |
| 14. | The Deferred Payment Agreement | 10 |
| 15. | Reviews and Deferred Payment Statements | 11 |
| 16. | Terminating the deferred Payment Agreement | 12 |
| 17. | Short Term Loans | 13 |
| 18. | Refusing an application | 13 |
| 19. | Appeals Procedure | 14 |
| Appendix 1 – | Deferred Payment/Short Term Loam Application Form | 15 |

# London Borough of Bromley Deferred Payments Scheme

## 1. LEGAL BASIS

1.1 The Care Act 2014 established a universal deferred payment scheme which means that from April 2015 people may not need to sell their home in their lifetime to pay for their care. A deferred payment is a way of deferring the costs of care which have to be repaid at a later date. The Care and Support (Deferred Payment) Regulations 2014 sets out the legal framework and local authorities' responsibilities in greater detail.

1.2 From April 2015, local authorities are required to provide a deferred payment scheme for anyone who they assess as having eligible needs which should be met through a care home placement and whose capital (excluding the value of their property) is below £23,250.

1.3 Under Sections 34-36 of the Care Act 2014, local authorities will have a deferred payment scheme which:

- Includes a set of national criteria governing eligibility
- Allows some local discretion, for example on the amounts that can be deferred
- Permits a local authority to charge interest and administrative fees to offset the costs of the scheme

## 2. POLICY AIMS

2.1 The London Borough of Bromley's deferred payments policy has been designed to comply with the Care Act 2014 and the Department of Health's Care and Support Statutory Guidance. Its aim is to provide flexibility for when and how a person pays for their care and support by delaying the need to sell their home, during a time that can be challenging for them and their loved ones as they make the transition into care.

## 3. SERVICES COVERED BY THIS POLICY

3.1 Residential and Nursing Care

This applies to anyone whose needs are to be met by the provision of care in a care home. This is determined when the council has assessed the person as having eligible needs which should be met through a care home placement.

## 4. KEY PRINCIPLES

4.1 The principles underpinning the scheme are:

- To ensure that those who have been assessed as needing care may not need to sell their property to pay for care subject to meeting the criteria set out in section 8 below

- To ensure that residents are fully informed about deferred payments and eligibility

- That the scheme is self-financing and sustainable

## 5. INFORMATION AND ADVICE

5.1 The Council will provide information and advice about deferred payments during the care and financial assessment process as well as during the 12 week property disregard period.

5.2 Information will also be provided throughout the course of the agreement, and upon termination of the agreement.

5.3 Information will be provided in a way which is clear and easy to understand through a variety of channels; for example, the Council's website, leaflets, face to face contact.

5.4 The Council will facilitate access to independent financial information and advice.

## 6. THE 12 WEEK PROPERTY DISREGARD

6.1 Where a person has been assessed by the Council as having eligible needs which should be met through a care home placement and owns a property, unless there is a statutory disregard the property will be disregarded for 12 weeks from the day they first enter the care home as a permanent resident. The resident will also be entitled to a 12 week property disregard if a qualifying relative dies or moves into a care home.

6.2 After 12 weeks the property is taken into account as a capital resource. A statutory disregard will apply where, for example, the property is occupied by a spouse, partner, or close relative who is incapacitated or aged 60 or over.

## 7. FINANCIAL ASSESSMENT OF CONTRIBUTIONS

7.1 Applicants entitled to a deferred payment will be assessed to make a financial contribution towards the costs of care from their assessable income and capital. The assessed contribution will be in accordance

with the Department of Health's guidance on financial assessments and charging.

7.2 The service user will be required to pay the assessed contribution during the 12 week property disregard and through the course of the deferred payment agreement.

## 8. ELIGIBILITY CRITERIA

8.1 The Council will offer a deferred payment where the service user meets the following criteria:-

i. has been assessed as having eligible care needs which are to be met through residential/nursing care (whether this has been arranged by the Council or has been arranged and paid for by the individual);

ii. has less than (or equal to) £23,250 in assets excluding the value of their home (i.e. in savings and other non-housing assets); and

iii. their home has not been disregarded as explained in section 6.2.

iv. they are able to provide adequate security (see section 11 entitled **Obtaining Security** below).

8.2 The Council may refuse an application for a deferred payment in the following circumstances:-

i. where the Council is unable to secure a first charge on the service user's property;

ii. where the service user's property is uninsurable;

iii. where the service user wants to defer more than they can provide adequate security for (see section 10 - **How much can be deferred**)

iv. where the service user wishes to include a top up in the deferred amount. In this situation, the Council may still choose to offer a deferred payment but will be guided by principles in section 10 – **How much can be deferred** to determine a maximum amount that is sustainable (or reflects the core care costs without any top-ups) and agree a deferral. The service user can then choose whether they wish to agree.

8.3 The Council will refuse an application for a deferred payment where the service user (or their representative) does not agree to the terms and conditions of the agreement.

8.4 Where the service user lacks mental capacity to enter into a deferred payment agreement then the person entering into the agreement must be legally appointed to manage their finances, for example Deputyship or Lasting Power of Attorney.

## 9. ASSESSMENT OF APPLICATIONS

9.1 All applicants for a deferred payment must complete the Council's designated application form disclosing full information about their circumstances and finances, as set out in the form.

9.2 When assessing applications for a deferred payment the Council will have regard to the sustainability of the deferred payment. This will include an assessment of the following:-

- The likely duration of the deferred payment
- Equity available in the property
- Contributions which may be made from the service user's savings
- Contributions which may be made from any rental income
- Contributions which may be made from a third party
- The period of time the service user would be able to defer weekly care costs

## 10. HOW MUCH CAN BE DEFERRED

10.1 The Council will defer actual care costs; the amount will be determined in accordance with statutory guidance, this would normally include the actual cost of care less any financially assessed contribution.

10.2 Where the service user wishes to include a third party top up the Council will consider whether the amount or size of the deferral requested is sustainable given the equity available from their property.

10.3 The following elements will dictate how much can be deferred:

a) The amount of *equity the* service user has available in their property;

b) The amount the service user is *contributing to their care costs from other sources*, including income and (where they choose to) any contribution from savings, a financial product or a third-party; and

c) The total *care costs* the service user will face, including any top-ups they wish to include.

10.4 When considering the equity available the Council will be guided by an 'equity limit' for the total amount that can be deferred and ensure that the amount deferred does not rise above this limit.

10.5 The equity limit is set at the value of the property minus ten percent, minus £14,250 (for financial year 2016/17, this is in line with the lower capital limit) and the amount of encumbrance secured on it.

10.6 This equity limit will leave some equity remaining in the property and will act as a buffer to cover any subsequent interest which continues to accrue, and will provide a small 'cushion' in case of small variations in the value of the property.

10.7 Where the deferred amount is approaching 70% of the value of the service user's property the Council will review the deferred payment agreement with the service user or their representative and consider whether a deferred payment agreement continues to be the best way to meet the care costs. The implications for any top-up that may be included in the deferred amount will be discussed.

10.8 The Council will not allow additional amounts to be deferred beyond the equity limit. However, interest can still accrue beyond this point, and administrative charges can still be deferred.

10.9 The Council may also refuse to defer any more care costs in the following circumstances:

a) when the service user's total assets fall below the level of the means-test and becomes eligible for local authority support in paying for their care;

b) where the service user no longer has need for care in a care home ;

c) if the service user breaches predefined terms of the agreement and the Council's attempts to resolve the breach are unsuccessful;

10.10 The Council will give a minimum of 30 days' notice that further deferrals will cease; and will provide an indication of how their care costs will need to be met in future. This could include:

a) receiving local authority support in meeting the care costs, or

b) meeting the costs from the service user's income and assets.

## 11. OBTAINING SECURITY

11.1 The Council must have adequate security in place when entering into a deferred payment agreement such as a first legal mortgage charge against the service user's property on the Land Register.

The Council will consider other forms of security such as a second legal charge or a solicitor's undertaking in the case of a short term loan. Each case will be considered on its own merits.

11.2 In cases of jointly owned properties the Council will require all of the owners' agreement to the charge being registered against the property. All owners will need to be signatories to the charge agreement, will need to agree not to object to the sale of the property for the purpose of repaying the debt due to the Council.

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

## 12. ADMINISTRATION FEES AND INTEREST CHARGES EFFECTIVE FROM 1 APRIL 2016

Administration Fees

12.1 The deferred payment agreement scheme is intended to be run on a cost-neutral basis. The Care Act permits the Council to charge administration charges that reflect the actual costs of providing the deferred payment. The current charges are listed below:

| | |
|---|---|
| Set up charge | £759 |
| Annual charge | £303 |
| Termination charge | £328 |
| Independent valuation | Actual cost |

Interest Charges

12.2 The Care Act also permits the Council to charge interest on the deferred payment amount to cover the cost of lending and the risks associated with lending, for example the risk of default.

12.3 The Council will charge the nationally set maximum interest rate for all deferred payment agreements. The service user will be informed of the current interest rate prior to entering into the deferred payment agreement.

12.4 The national maximum interest 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. This is currently published in the Economic and Fiscal Outlook, which is usually published twice-yearly alongside the Budget and Autumn Statement.

12.5 The interest charged and added to the deferred amount will accrue on a compound basis (i.e. the interest charged is added to the deferred amount so that the added interest also earns interest).

12.6 The compounding frequency will be in line with the how the Council pays its providers. This is currently four weekly.

12.7 Interest will continue to accrue on the amount deferred after the service user has reached the 'equity limit'. It can also accrue after the service user has died up until the point at which the deferred amount is repaid to the Council. If the Council cannot recover the debt and seeks to pursue this through the County Court system, the higher County Court rate of interest will be charged.

12.8 All charges will be clearly set out within the deferred payment agreement and the statement of deferred debt.

12.9 Administration charges and interest can be added on to the total amount deferred as they are accrued, although the service user may request to pay these separately.

## 13. PROPERTY VALUATION

13.1 Under the deferred payment scheme the Council will request two estate agent valuations of the property against which payments will be deferred. Where there is a substantially differing value the Council will obtain an independent valuation of the property The person applying for the deferred payment can also request an independent valuation of the property.

13.2 The cost of valuation(s) will be paid for by the service user or their representative.

13.3 The value of the property will be periodically reviewed during the lifetime of the deferred payment agreement to ensure that the equity limit is not exceeded and in any other circumstance where the value of the property will affect the sustainability of the deferred payment agreement.

13.4 Where the parties are unable to agree an appropriate valuation such disputes will be dealt with under the appeals procedure, see section 19 **Appeals Procedure.**

## 14. THE DEFERRED PAYMENT AGREEMENT

14.1 The Council will aim to have the agreement finalised and in place by the end of the 12-week disregard period (where applicable).

14.2 The Agreement will set out the following:

a) the fees that will be charged including the current interest rate and how interest will be calculated

b) how the agreement can be terminated

c) circumstances in which the Council may refuse to defer further care fees

d) details of the form of security

e) the requirement for the Council to provide a written statement every six months and within 28 days of request, setting out how much the service user owes to the Council and the cost to them of repaying the debt;

f) an explanation of the equity limit, the maximum amount which may be deferred and the scope for this to change upon revaluation of the security;

g) the requirement for the Council to give 30 days' written notice of the date on which the deferred amount is likely to reach the equity limit;

h) the requirement for the service user to obtain the Council's consent for any person to occupy the property; and

i) details of how problems should be resolved if either party feels the terms of the agreement have been broken

14.3 The agreement will also stipulate:

a) the service user's responsibilities regarding maintenance and insurance of their home;

b) the service user's responsibility to notify the local authority of any change to their income, home or care and support;

c) the service user's responsibility to notify the Council if they intend to rent or sell their property and if someone has gained or may gain a beneficial interest in their property;

d) a clear explanation of the consequences of taking out a deferred payment agreement;

e) the process for varying any part of the agreement; and

f) the process by which the Council can require a re-valuation of the service user's property.

14.4 The service user or their representative will be required to sign or clearly affirm that they have received adequate information on options for paying the care fees; that they understand how the deferred payment agreement works and understand the agreement they are entering into; and that they have had the opportunity to ask questions about the contract.

14.5 The Council's deferred payment agreement (where the deferred amount is secured against the former home or other land) is not regulated by the Consumer Credit Act 1974. However it is subject to the Unfair Terms in Consumer Contracts Regulations 1999, and the Consumer Protection from Unfair Trading Regulations 2008.

14.6 The Agreement shall only take effect upon the applicant's or duly appointed representative signing the Agreement. A certified copy of the appointment of an Attorney or order from the Court of Protection appointing a Deputy will be accepted as evidence of authorisation to sign on behalf of the applicant.

## 15. REVIEWS AND DEFERRED PAYMENT STATEMENTS

15.1 A reassessment of the service user's client contribution will be carried out each year and the service user will be notified of the revised weekly amount they will be required to pay, the amount of any third party top up and the amount that will be deferred.

15.2 The service user will be required to provide the Council with evidence that the property has been adequately insured on an annual basis.

15.3 In addition to the annual reassessment the Council will issue a six monthly statement to the service user and/or their representative. The statement will set out: the amount of fees deferred; interest and administrative charges to date; total amount due and equity available in the property. The statement will record the amounts deferred and progress towards the equity limit. (This statement will also be provided on request).

15.4 The security will be revalued when the amount deferred equals or exceeds 50% of the value of the security to assess any potential change in the value (and consequently the person's 'equity limit' should be reassessed in turn). After this revaluation, the Council will revalue the security periodically to monitor any potential further changes in value.

15.5 If there has been any substantial change in the value of the security the Council will also review the amount being deferred, as set out in section 10 – **How much can be deferred.**

## 16. TERMINATING THE DEFERRED PAYMENT AGREEMENT

16.1 The deferred payment agreement can be terminated in the following three ways:

a) at any time by the service user, or their representative, by repaying the full amount due;

b) when the property is sold and the Council is repaid; or

c) when the service user dies and the amount is repaid to the Council from their estate.

16.2 Where the Agreement is voluntarily terminated the Council will require written notice of termination.

16.3 If the property is being sold the Council must be notified during the sale process and the amount due to the Council must be paid from the proceeds of the sale.

16.4 The deferred payment will automatically come to an end on the service user's death. The debt can either be paid from the estate or by a third party, for example a family member may choose to settle the debt rather than sell the deceased's property. The total amount due becomes payable within 90 days after the date of death.

16.5 The executor of the will is responsible for arranging for repayment of the amount due (in the case of payment from the estate).

16.6 Interest will continue to accrue on the amount owed to the Council after the service user's death and until the amount due to the Council has been repaid in full.

16.7 If after this 90 day period referred to in 16.4, the Council concludes that 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 will enter into legal proceedings to reclaim the amount due to it.

16.8 In whichever circumstance an agreement is terminated, the Council will provide a full breakdown of how the amount due has been calculated and the full amount due must be repaid to cover all costs accrued under the agreement.

16.9 Once the amount has been paid, the Council will provide confirmation that the agreement has been concluded, and confirm that the charge against the property has been removed.

## 17. SHORT TERM LOANS

17.1 Where the Council has made the decision to refuse an application for a deferred payment it may still be possible for the service user to receive short-term financial help while their home is being sold.

17.2 All applicants for a short term loan must complete the Council's designated application form disclosing full information about their circumstances and finances, as set out in the form.

17.3 The service user should have already arranged for the property to be put up for sale to establish that they have a genuine intention to sell the property to fund their care costs.

17.4 The Council will require:

i. a copy of the contract from the estate agent/s which confirms the instruction to act for the vendor to sell the property,

ii. a solicitor's undertaking which confirms that the proceeds of the sale will be used to settle the outstanding debt to the London Borough of Bromley for care home fees.

17.5 If the application is successful the Council will fund the shortfall between the service user's contribution and the actual cost (excluding any third party top up) **for a period not exceeding three months** from the end of the twelve week property disregard period.

17.6 Where there is a third party top up, the third party will continue to be responsible for payment of the third party contribution while the property is being sold.

17.7 If the property is not sold within the three month period, the service user or financial representative should submit a written request to the Council for an extension of the short-term loan supported by the solicitor's undertaking. Extensions will be considered on an individual basis.

## 18. REFUSING AN APPLICATION

18.1 The Council can refuse a request for deferred payment or short term loan. In such circumstances the decision will be notified in writing to the service user and/or their representative. The decision will set out the grounds for refusal and provide information on how to appeal. Reasons for refusing a deferred payment are set out in section 8 **Eligibility Criteria**.

## 19. APPEALS PROCEDURE

19.1 A service user may appeal against a decision to refuse a deferred payment or short term loan.

19.2 Disputes about the valuation of the service user's property will also be dealt with as part of the appeals process.

19.3 Appeals should be made within 20 working days of being notified of the outcome of the application for a deferred payment agreement or short term loan. This period can be extended if there are exceptional circumstances.

19.4 The appeal will be considered by the Director of Finance (or his delegated representative) and the appropriate Head of Service within Education, Care and Health Services.

19.5 If the service user is dissatisfied with the outcome of the appeal they can request that this matter is dealt with under the Council's Adults Social Care Complaints procedure.

**Appendix 1**

# APPLICATION FOR A DEFERRED PAYMENT or SHORT TERM LOAN

Please complete the form in black ink, using BLOCK CAPITALS throughout.

**Please refer to the guidance notes when completing this application.**

## SECTION 1: THE RESIDENT'S DETAILS

1. Mr/Mrs/Ms/other: ……Surname: ……

First names ……

Date of birth ...../...../.....

Phone number where you can be contacted ……...

Mobile number ……..

Email address
……

## SECTION 2: REPRESENTATIVE'S DETAILS (IF RELEVANT)
[***please refer to note 1***]

2. Mr/Mrs/Ms/other: ……..Surname:…….....

First names: ……..

Address: …….

..... Post code ……

Telephone: ……

Mobile number ……..

Email address ……

3. Relationship to person named in Section 1 (for example, son, daughter, solicitor):

…….....

4. Do you have legal authority to act on behalf of the person named in Section 1?

| YES | | | NO | |
|---|---|---|---|---|

5. *If **YES**, please tick the relevant box to confirm your status and submit certified copies of the relevant documents*

| Enduring/ Lasting power of attorney | | Deputy | |
|---|---|---|---|

6. *Please tick which of the following you have authority to deal with*

| Property | | Bank Account | | Investments | | Savings | |
|---|---|---|---|---|---|---|---|

| | other (please state) |
|---|---|

…….....

***If you are in the process of applying for legal authority, please provide evidence of the application to the Court (e.g. a copy of the Court's acknowledgement of your application) with a copy of your completed application form.***

## SECTION 3: DETAILS OF PROPERTY OFFERED AS SECURITY OR BEING SOLD

7. Address:
   ……
   ……
   .....Post code ……

8. Do you own the property specified above?

| YES | | | NO | |
|---|---|---|---|---|

If **YES**, please tick the relevant box

| | | | |
|---|---|---|---|
| I am the sole owner | | I own it with other(s) | |

9. Please give details (for example jointly owned, tenancy in common) and give the name(s) and address of the other owner(s) as detailed on the property deeds.

……

……

……

……

……

……

10. Do you have a mortgage or other secured loan on the property?

| | | | | |
|---|---|---|---|---|
| YES | | | NO | |

11. If **YES**, please provide the following details:

Name of mortgage lender: ……

Account no: …….

Date of mortgage/loan agreement: ……...

Amount of outstanding mortgage/loan: ……..

**Please provide documents confirming mortgage/loan details**

**PLEASE NOTE THAT THE COUNCIL WILL NOT APPROVE A DEFERRED PAYMENT APPLICATION UNLESS ALL JOINT OWNERS OF THE ABOVE PROPERTY PROVIDE WRITTEN CONSENT OF THEIR ACCEPTANCE OF A LEGAL CHARGE BEING PLACED ON THE PROPERTY WITH THIS FORM.**

12. Does anyone reside in the property?

| YES | |
|---|---|

| NO | |
|---|---|

13. If **YES,** please provide details

Name Age Relationship to you

…….

…….

…….

14. Estimate of present value £……. (Please provide two estate agent valuations dated within the last three months).

15. How long has the property been on the market?

(*Please only complete if you are applying for a Short Term Loan* )

……

## SECTION 4: DETAILS OF YOUR CARE

16. Name of care home:

……

Address: ……

……

……

…… Post Code ……

17. The date that you started living in the above care home on a permanent basis: **[Please see note 2]**

**……/……/…….**

18. How was your placement made?

| | | | | | |
|---|---|---|---|---|---|
| Privately | | by this Council | | by another Council | |

☐ other (please state)

……..

19. Is a top-up being paid? **[please see note 3]**

| | | | | |
|---|---|---|---|---|
| YES | | | NO | |

20. If **Yes,** do you wish to include these payments in your deferred payments loan?

| | | | | |
|---|---|---|---|---|
| YES | | | NO | |

21. Would you consider retaining a lower disposable income allowance (DIA) where the Council has considered your application and is unable to offer a deferred payment agreement because the deferral amount means it would not be sustainable. **[please see note 4]**

| | | | | |
|---|---|---|---|---|
| YES | | | NO | |

22. Is your property currently being rented?

| | | | | |
|---|---|---|---|---|
| YES | | | NO | |

23. If **Yes,** what % of the net rental income do you wish to retain? **[please see note 4]**

……%

## SECTION 5: CHECKLIST FOR DOCUMENTATION

Please check and ensure you have provided the relevant documentation:-

| | |
|---|---|
| Details of legal representative (certified copies) or evidence of application to the Court of Protection | ☐ |
| Proof of property ownership and any outstanding mortgage/loans | ☐ |
| Written consent from joint owners or others with a beneficial interest in the property | ☐ |
| Estate agents valuations | ☐ |
| Current building insurance policy | ☐ |
| Photographic identification (e.g. Photocopy of driving license or passport) | ☐ |
| Estate Agent's contract (***Short Term Loan only***) | ☐ |
| A solicitor's undertaking (***Short Term Loan only***) | ☐ |

## SECTION 6: DECLARATION

- I wish to make an application under the London Borough of Bromley's Deferred Payment Policy.

- I understand that acceptance of any application under this scheme is subject to the criteria set out in the London Borough of Bromley's Deferred Payment Policy and that the **Deferred Payment/Short Term Loan)** (*delete as appropriate*) will not take effect until a formal agreement has been entered into.

- I confirm that I **own/part-own** (*delete as appropriate*) the property specified in Section 3. I authorise the London Borough of Bromley to check legal title to this property.

- I agree to a legal charge being placed on the property specified in section 3. I agree to pay the fee for this charge. I have enclosed written consent from all joint owners accepting the legal charge being placed on the property or I have enclosed a solicitor's undertaking as security for the short term loan. *(delete as appropriate*)

- I agree that I am responsible / …… (Insert name) Name of person signing in section 2 on behalf of applicant. ( *delete as appropriate*) for payment of the applicant's weekly assessed contribution due from their income and capital assessed under the Care Act 2014, the Care and Support Statutory Guidance 2014, The Care and Support (Charging and Assessment of Resources) Regulations 2014 and The Care and Support (Deferred Payments) Regulations 2014.

- I confirm that I and all other persons who occupy or have a beneficial interest in the property specified in section 3 have been made aware of this application, that they have provided written consent to the legal charge on the property and they have been advised to seek their own independent legal and financial advice before I enter into an agreement under the London Borough of Bromley's Deferred Payment Policy.

- I have /have not (please delete as appropriate) authorised a solicitor to act on my behalf:

  Name and address of Solicitor: *(if applicable*)

  ……

  ……

- I confirm that all of the information given on this form is true and accurate to the best of my knowledge.

- I have read and understood and accept the terms and conditions of this application for a **Deferred Payment/Short Term Loan** (*delete as appropriate*) from the London Borough of Bromley.

- I understand that the London Borough of Bromley will store the information provided on this form on paper and on computer. I agree that when necessary this information may be shared with other organisations that work with the London Borough of Bromley. I understand that the information will be kept secure and confidential and that I can request to see information held at any time in accordance with the Data Protection Act 1998.

- The offer of a **Deferred Payment/Short Term Loan** (*delete as appropriate*) is subject to the criteria set out in the London Borough of Bromley's Deferred Payment Policy and if the application is declined, the London Borough of Bromley will write to you or your agent declared in section 2, in order to inform you of the reason for its decision.

Signed ……

Name ……

Date ……

Signed on behalf of ……

Authority held……

**If you are signing on behalf of the person applying for a deferred payment in section 1, you must be the person named in Section 2 and have legal authority to act on their behalf. A certified copy of this legal authority should be attached to this application form.**

## GUIDANCE NOTES

### Note 1

You can only sign this form on behalf of your relative, friend or client if you hold the appropriate legal authority to act on their behalf. A copy of this authority should be submitted with this application.

If you do not have legal authority or if you are in the process of applying for it, you can fill in the details on the form, but the person applying for the deferred payment scheme ***must*** sign the form themselves.

If the applicant lacks capacity and the person named in Section 2 does not have legal authority to act on their behalf, you can still complete this form however you will not be able to enter into a deferred payment agreement until you have obtained legal authority to act on behalf of the applicant.

You will need to provide evidence of your application to the Court of Protection (e.g. a copy of the Court's acknowledgement of your application) and a certified copy of the legal authority to act for the applicant, once you have received it.

### Note 2

The date that you give here should be the date your residence became permanent. (If you entered the home on a temporary basis, you should give the date of the Council's decision that you have eligible care needs which are to be met through residential/nursing care.

### Note 3

The contribution that the Council pays towards a service user's residential care is based on the personal budget which the cost to the local authority of meeting the person's eligible needs.

In some cases, a person may actively choose a setting that is more expensive than the amount identified for the provision of the accommodation in the personal budget. Where they have chosen a setting that costs more than this, an arrangement will need to be made as to how the difference will be met. This is known as an additional cost or 'top-up' payment and is the difference between the amount specified in the personal budget and the actual cost.

*You should not agree to enter into a "top-up" agreement with a care home without seeking written approval from the Council if you are applying for a deferred payment.*

**Note 4**

You are entitled to retain up to £144 per week of your income (the 'disposable income allowance') when you enter into a deferred payment agreement however you can choose to keep less of your income than the disposable income allowance and reduce the amount you are deferring (thereby accruing less debt and paying less interest).

If you are renting out your property (or you decide to do so during the course of the deferred payment agreement) you are entitled to retain a percentage of any rental income you receive. You can choose not to retain any of the rental income in order to reduce the amount you are deferring.

**Note 5**

The completed form and all documents required should be sent to:

The Financial Assessment and Management Team
Liberata UK Ltd
3rd Floor North Block
Civic Centre
Stockwell Close
Bromley
BR1 3UH

**More information about meeting your costs of residential care is provided in the Council's "Paying for your Care Home Guide" available at www.bromley.gov.uk**