Nottinghamshire County Council

Universal Deferred Payments scheme

This easy read document tells you about the Universal Deferred Payments scheme, which helps homeowners pay for the cost of care.

This document addresses complicated financial issues.

It is important that you fully understand the scheme before using it.

Ask somebody to read this document with you so they can help you to understand it.

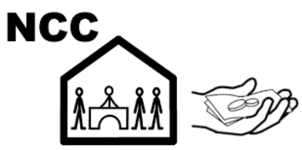
What is the Universal Deferred Payments scheme?

The Universal Deferred Payments scheme can help you pay for residential care, if:

- you need to pay the full cost of your care, based on an assessment

AND

- you can't pay weekly because most of your money is tied up in your home.



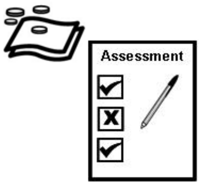
The scheme offers a loan from Nottinghamshire County Council.

A "charge" is put on your house as a security.

The loan isn't a big lump sum of money.

Instead we will use the money to pay for your weekly care and support costs for as long as you need us to.

You will pay some money towards your bill weekly.



The amount will be decided based on an assessment.

The assessment will figure out how much you are able to pay from your income and other savings.

The council will pay the part of your weekly bill that you can’t afford, until you get your money from your home when you sell it.

The part that the Council pays is your **deferred payment.**

The **deferred payment** builds up as a debt.

This debt is cleared from the money you get when you sell your home.

Most people get the money from their home when they sell it.

You can also pay the debt back with money from somewhere else if you want.

You will **not** have to sell your home if you don't want to.

You might want to keep your home for the rest of your life and pay back the debt from your estate after your death.

You might also want to rent out your home to make money.

If you do this, you will need to use the money you get from rent to pay some of your weekly bill.

This will reduce the amount you get as **deferred payment**.

This means your debt will be smaller.

Charging Interest

The loan will have **interest** charged on it.

This is the same way it works when you borrow money from the bank.

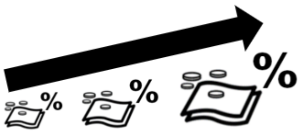
When someone borrows money from a bank, they agree to pay back the amount they borrowed, plus a bit extra.

This extra bit is the **interest**.

At the moment, the council charges **4.25 per cent** interest. This means that for every £100 you borrow from the council, each year you will owe an extra £4.25.

The amount of interest the council charges will change over time.

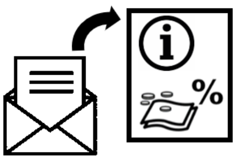
The changes happen on 1 January and 1 July every year.



The interest on the loan will **compound** on a 4-weekly basis.

This means that every four weeks, the amount of interest your loan has collected will be added to your total loan.

Your loan will start collecting interest from the day you enter the Universal Deferred Payment scheme.



You will get regular letters to explain how your interest is being calculated and how much your total loan is.

Your agreement with Nottinghamshire County Council

If you decide to use the Universal Deferred Payments scheme, you will enter into a legal agreement with the Council.

You will do this by signing an agreement document

The council will then put something called a **legal charge** on your home. This will secure the loan.

You will need to pay money for this (see below for more details).

The agreement will say what the council will do and what you will do.

One of the things you will need to do is keep your home insured and looked after.

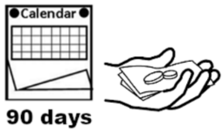
If you need to spend money to look after your home, this money will be taken off the amount you need to pay weekly.

You can end the agreement at any time.

For example, you might want to end the agreement if you sell your home.

You will need to pay back the loan at once.

If you do not end the agreement before your death, the agreement will end then.



The loan will need to be paid back 90 days later.

The Council **cannot** cancel the agreement without you saying they can.

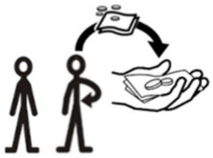
Upsides of using the Universal Deferred Payments scheme

You might have an agreement for a family member or another person to “top up” the money you pay for your care.

If you use the Universal Deferred Payments scheme, you can add the cost of these “top up” payments to your loan.

You can do this if the council agrees there is enough money in the value of your home.

If you aren't using the Universal Deferred Payments scheme, the government's rules say that your "top up" payments have to be paid by someone else.



A **deferred payment** is the only way of paying the "top up" yourself without needing help from another person.

What does it cost to join the scheme

People who can join the scheme will need to pay some money for the paperwork.

There is a cost of **£272** to set up the agreement.

There is also a legal fee of **£226.** This is for checking the details of your home ownership and charging the money to it.

There is a yearly fee of **£25.** This is to cover the on-going paperwork for your deferred payment.

These costs can be paid all at once or added to the deferred payment loan.

If you choose to add them to the loan, there will be an interest charge.

Once a year the council will look at these costs and decide if they need changing.

If there are any changes, people on the scheme will be told about them.

Other options

You might choose to rent your home. This might give you enough money to pay for the full cost of your care.

There are upsides to this:

- you will not get a debt

- you will not have to pay interest or fees for paperwork

- the person renting your home will pay for utilities and council tax instead of you

There are other ways you can get money out of your home. These are called **equity release products**.

There are different kinds of **equity release products**. Some of them might be right for you.

You might choose to pay the full cost of your care from your income and savings.

A family member might choose to pay the full cost of your care for you.

You should get independent advice about money and the law. This will help you decide what is the best choice for you.

There is information in this document about how to find independent advice.

Am I eligible?

To apply for the Universal Deferred Payment scheme:

- you must have less than £23,250 in money (the value of your home does not count towards this).

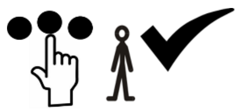
- you must need to go into permanent residential care. An assessment will decide if you need this.

- you must own all or some of a home

- your home must not be **disregarded**. This is when the house isn't counted towards the total of all the things you own. We will decide whether your house should be **disregarded**.

HM Land Registry

- your home must be registered with the Land Registry. If it isn't, you will need to pay for it to be registered.



- you must be able to make decisions for yourself **OR** have someone who has been chosen to make decisions for you.

While in the agreement, you will need to:

- have someone to look after your home

- pay for your home to be insured

- pay the money you agreed to pay the council regularly and on time. If you don’t, the council can add the money you haven’t paid to your total debt.

- ask the council before letting someone live in your home.

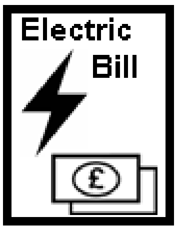
You must not be getting money out of your home in other ways (such as from a mortgage), unless your local government has agreed to it.

The disposable income allowance

The council has to let you keep some money each week. This is called the **Disposable Income Allowance (DIA)**.

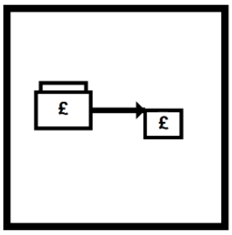
It can be any amount up to £144 a week.

The allowance gives you enough money to pay for the costs of keeping your home, such as:



- insurance
- energy bills
- looking after your home

You can choose to take less than the full £144.



If you take less **DIA**, your debt to the council will be smaller.

Where you can get advice about money

It is a good idea to ask for advice about money from an expert before making a choice about how to pay for your care.

You might want advice about:

- how to choose the best option for you
- if there is a choice that would be good for the council but not good for you

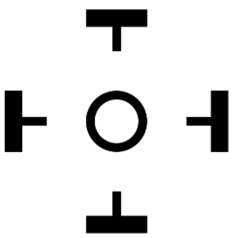
- what it means to enter a legal agreement
- how to get the most out of what you own

There is a list of experts who can give you advice on the Notts Help Yourself website here.

These include:

- Money Helper
- Citizen's Advice
- The Society of Later Life Advisers
- Which? Elderly Care

The list of advisers on the Notts Help Yourself website does not include every adviser you could speak to.



The advisers on the Notts Help Yourself list are independent of the council. This means that they decide what advice to give themselves.

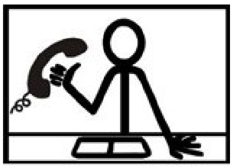
You may find other **independent financial advisers (IFAs)**.

These IFAs may charge a fee for the advice they give.

The council does not say that the different types of adviser, or different advisers, are better than others.

If you decide to use an adviser, you should do your own checks to make sure they are someone you want to take advice from.

Who to contact about the scheme



If you want to apply for the Universal Deferred Payments scheme, you can contact our **Residential Assessment Team**.

You can contact the **Residential Assessment Team** by:

Phone: 0115 977 5760
choose Option 3).

Email: acfs.residential@nottscc.gov.uk

Customer Service Centre

Our Customer Service Centre can answer most of your questions and help with information and form filling.

There are several ways to contact them, including:

Web: Use our online contact form

Telephone: 0300 500 80 80

Text Relay: 18001 0115 977 4050

People who have hearing or speech difficulties and prefer to communicate via text can use the Text Relay service through the Relay UK app.

Sign Video

People who use British Sign Language to communicate can use the SignVideo app to speak with us.

The council will not share your personal information with other people. We have a privacy policy that says how we use personal information.

The privacy policy is also available in easy read format.

Links in this document

Notts Help Yourself

nottshelpyourself.org.uk/kb5/nottinghamshire/directory/results.action?newdirectorychannel=4-4-5

Money Advice Service

moneyhelper.org.uk

Citizens Advice

citizensadvice.org.uk

The Society of Later Life Advisers

societyoflaterlifeadvisers.co.uk

Which? Elderly Care

which.co.uk/l/health-and-personal-care

Nottinghamshire County Council – contact us form

nottinghamshire.gov.uk/contactform

Relay UK app

www.relayuk.bt.com/how-to-use-relay-uk/download-app.html

SignVideo app

signvideo.co.uk/download

Nottinghamshire County Council – privacy notices

nottinghamshire.gov.uk/global-content/privacy

Nottinghamshire County Council – privacy notices (easy read)

nottinghamshire.gov.uk/global-content/easy-read-library/privacy-notice-easy-read

For plain English web page version of this information, go to:

Universal deferred payments scheme (Nottinghamshire County Council)

nottinghamshire.gov.uk/care/adult-social-care/social-care-publications/universal-deferred-payments-scheme

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