

Accompanying Notes to the Deferred Payments Agreement

Legal Basis for the Agreement

Blackpool Borough Council has made arrangements under section 21 of the National Assistance Act 1948 ("the 1948 Act) for the provision of residential accommodation for the Resident. The Resident's liability to pay has been assessed in accordance with sections 22 or 28 of the 1948 Act.

Blackpool Borough Council considers that it is appropriate to enter into this agreement with the Resident in accordance with section 55 of the Health and Social Care Act 2001 ("the 2001 Act").

Section 1.1

If the Resident has a beneficial interest in any property (usually where they used to live before entering permanent resident care), the value of this will be taken into account when calculating how much the Resident must pay towards the cost of their care. By signing this agreement and the form of Legal Charge the deferred payments will be secured on the Property until the deferred payments are repaid to Blackpool Borough Council

Sections 1.3 and 1.4

The amount of the fees that can be deferred is:-

The difference between

- (a) the payments that the resident is liable to pay to Blackpool Borough Council calculated in accordance with the National assistance (Assessment of Resources) Regulations 1992 (as amended), and
- (b) the payments that the Resident is liable to pay Blackpool Borough Council calculated in accordance with those regulations but excluding the value of the Resident's beneficial interest in the Property for any period in which residential accommodation is received by the Resident between the start date of this agreement and the date when the Agreement ends (see section 1.5).

The figures specified in Section 1.4 should show the weekly amounts applicable at the date of the agreement. These amounts may be subject to change if:

- The cost of the placement increases
- The Resident's financial circumstances alter e.g. in April, when the rates of state retirement pension and welfare benefits change
- Individual agreements may need to be amended to reflect other contributions

The Council pays a set rate fee to care homes for older people. Some homes may request a fee that is higher than the rate paid by the Council. If you choose a home with higher fees, the difference between the Council's rate and the fee which the home has requested, must be paid as a top-up. This top-up payment can be paid by a relative or friend or if you enter into a Deferred Payment Agreement with the Council you can ask for the top up payment to be added to the amount you owe.

Section 1.5

The grounds on which a deferred payment agreement can be ended are set out in Section 55 (4) of the 2001 Act are included in the Agreement [1.5]. Blackpool Borough Council is not allowed to terminate the Agreement, so there is no provision in the Agreement for this.

Section 1.6

The Legal Charge needs to be signed in order that Blackpool Borough Council can place the charge on the Property. It is a condition of this Agreement that the Resident signs the Legal Charge to give Blackpool Borough Council security for the deferred payments made by it for the Resident's accommodation. The Legal Charge will be removed when Blackpool Borough Council has received the full amount owing to it under the Agreement.

Section 2

This section should be included where there is a mortgage on the Property. It is essential that the Mortgagee gives consent to the Legal Charge.

Section 3

This section should be included where the Property is jointly owned. It is essential that the Co-owner joins as a party to the creation of the Legal Charge. It is also important that the Co-owner is advised to seek legal and financial advice independent to that received by the Resident.