



HILLINGDON
LONDON

Deferred Payment Scheme - Schedule of charges

The Deferred Payment Scheme will be run on a cost-neutral basis. There is an administration fee of £300.00, which is associated with the set up costs. This fee is non refundable even if you choose to withdraw from the scheme before a legal charge has been secured on the property. The fee will be reviewed annually.

The administration charge will be calculated on the basis set out within the Care Act and will include the following:

- 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 the council's valuation and revaluation of the property
- Overheads, may include, but are not limited to, legal fees, postage, printing, and management costs

The council will charge interest on the Administration fee, if you have not arranged to pay for it separately, the loan and the ongoing costs of managing the Deferred Payment Scheme. Interest will apply from the day you enter into the Deferred Payment Scheme. Since the 01st April 2015, the interest rates for the scheme are as follows:

1.65% from 01st January 2019 to 30th June 2019
1.45% from 01st July 2019 to 31st December 2019
1.45% from 01st January 2020 to 30th June 2020
1.05% from 01st July 2020 to 31st December 2020
0.45% from 01st January 2021 to 30th June 2021
0.75% from 01st July 2021 to 31st December 2021

The interest rates are reviewed every six months, in line with current gilt rates, as published in the Economical and Fiscal Outlook report, published by the Office for the Budget Responsibility (OBR). The interest is compounded on a daily basis. You will receive statements every six months advising you how your charge is being calculated and what the outstanding sum on your deferred account is.

The debt is due for settlement when local authority funding ends, funding could end due to the client passing away or the client's property being sold. Interest will continue to accrue daily until the account is settled in full.

If the outstanding balance is not paid when due and insufficient effort is being made to repay the debt, the Council can take legal action and enforce a higher interest rate through the County Courts.

Costs associated when removing a legal charge from the property:

Once a legal charge has been registered against the property, in relation to the Deferred Payment Scheme, there is a cost involved to Hillingdon council, if the legal charge needs to be removed. Please note that the cost of removing the legal charge will be passed onto you and is in addition to the £300 set up fee.

We recommend that you take independent legal and/or financial advice before you apply for or enter into the Deferred Payment Scheme.

Contact details:

Financial Assessment Team
1S/07 Civic Centre
London Borough of Hillingdon
High Street
Uxbridge
UB8 1UW

Telephone: 01895 250882

E-mail: financialassessment@hillingdon.gov.uk

Website: <https://www.hillingdon.gov.uk/financial-assessment>