



## Deferred Payment Scheme - Schedule of charges

The Deferred Payment Scheme will be run on a cost-neutral basis. There is an administration fee of £400.00, 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 in question. The fee will be reviewed annually.

The administration charge will be calculated based on the guidance set out within the Care Act 2014 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, which may include but are not limited to, legal fees, postage, printing, and management costs

Interest will be charged on all deferred amounts from the first day of the Deferred Payment Scheme, including the administration fee, unless you have arranged to pay for the fee separately.

The most recent interest rates for the scheme are as follows:

- 1.45% from 01 January 2020 to 30 June 2020
- 1.05% from 01 July 2020 to 31 December 2020
- 0.45% from 01 January 2021 to 30 June 2021
- 0.75% from 01 July 2021 to 31 December 2021
- 0.95% from 01 January 2022 to 30 June 2022
- 1.55% from 01 July 2022 to 31 December 2022
- 3.18% from 01 January 2023 to 30 June 2023
- 3.43% from 01 July 2023 to 31 December 2023
- 4.65% from 01 January 2024 to 30 June 2024
- 4.05% from 01 July 2024 to 31 December 2024
- 4.25% from 01 January 2025 to 30 June 2025
- 4.65% from 01 July 2025 to 31 December 2025

The national maximum interest rate will change every 6 months on the first of January and July respectively, to track the market gilts rate specified in the most recently published report by the Office of Budget Responsibility (OBR) plus a 0.15% default component (for example, gilt rate 1% plus 0.15% equals a maximum interest rate of 1.15%.)

The market gilt rate is currently published in the Economic and Fiscal Outlook, which is usually published twice-yearly alongside the Budget and Autumn Statement on the OBR website. **\*\***[www.local.gov.uk/interest-rates-universal-deferred-payments](http://www.local.gov.uk/interest-rates-universal-deferred-payments)

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, Hillingdon 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.

The cost of removing the legal charge will be passed onto you and is in addition to the initial £400.00 administration fee.

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

**If you would like to discuss this document please refer to the contact details below:**

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