



8: Administration Fees and Interest Charges

Arrangement Fees for non-residential care and support services

If you have capital above the Upper Capital Limit, or you have refused a full financial assessment you will be liable for the full cost of your non-residential care and support services.

If you ask us to set up, arrange and manage your care and support services we will ask you to agree, in writing, to pay the full cost of your care and support plus the following arrangement fees:

A Set-Up Arrangement Fee

This may include a proportion of the cost of:

- Identifying appropriate providers of care and support
- Negotiating rates and times for care to be delivered with individual providers
- Putting contracts into place for the care and support service
- Setting up methods of payment for you to pay these care costs – for example Direct Debit

An Annual Arrangement Fee

This is to cover a proportion of the costs of:

- Paying your care and support providers
- Dealing with any queries relating to your services
- Monitoring your service to ensure service providers are providing the support agreed.
- Invoicing you for the cost of your care and our administration fees and collecting this money from you

We review our arrangement fees every year and these will never be more than the costs we incur – for our current fees see [Appendix Q – Self-funder charges for arranging non-residential care and support](#).

Interest and Administration Charges for Deferred Payment Agreements

If you apply for and accept an offer of a Deferred Payment Agreement with the Council we will charge you:

A Set-Up Fee to put the Deferred Payment Agreement in place

This may include a proportion of, or all of, the following costs:

- the costs incurred in drawing up the legal agreement (the Deferred Payment Agreement itself) including the cost of people's time;

- legal costs and Land Registry fees of securing a charge against the financial asset that is offered as security within the Deferred Payment Agreement (usually a legal charge on a property);
- asset valuation fee;
- other administration costs (such as postage, printing, photocopying, overheads, and the cost of peoples' time in relation to putting the arrangements into place).

An Annual Administration Fee for your Deferred Payments

This is to cover a proportion of the following costs:

- arranging the contract and payments to your care provider;
- monitoring the level of your deferred payments and sending you a regular statement;
- monitoring the requirements of the Deferred Payment Agreement to ensure the terms and conditions are being followed

Ad Hoc Administration Fees during your Deferred Payment Agreement

If we need to carry out additional tasks relating to your Deferred Payment Agreement during the period of the agreement we will tell you what is needed and provide an estimate of the costs that will be re-charged to you once the work is complete. For example – we may need to periodically re-value the property being used as security for your deferred payment debt.

Interest on Deferred Payments

From the start date of your Deferred Payment Agreement we charge:

- interest on your accommodation costs deferred under your Deferred Payment Agreement
- interest on your set-up fees, annual fees and other administration fees (unless you have requested to pay those charges separately when they are incurred instead of deferring them – provided that this is stated in your Deferred Payment Agreement)

The interest is charged daily and is compounded – this means that interest is charged on the interest that has already been added to your deferred debt

Compound interest is charged on the balance of your deferred payment until the deferred payment is repaid and your Deferred Payment Agreement ended.

Details of deferred payment administration fees and interest charges are set out in [Appendix J: Charges for Deferred Payment Agreements and Interim Funding Arrangements](#)

The interest rate is set for six-month periods running from 1 January – 30 June and 1 July – 31 December each year. The interest rate may change from one period to the next in line with Government borrowing rates¹. We will give you notice of those changes as required by the Care and Support statutory guidance.

We review our set-up fees and annual fees every year. These will never be more than the costs we incur.

¹ The interest rate tracks the market gilts rate specified in the most recently published report by the Office of Budget Responsibility (OBR) plus a 0.15% default component.

Interest and Administration Charges for Interim Funding

If you are applying to become a legal representative of someone needing to defer the full care home costs and the Council has agreed an Interim Funding arrangement with you, we will charge:

An Annual Administration Fee

This is to cover a proportion of the following costs:

- arranging the contract and payments to the care provider;
- monitoring the level of the accruing accommodation costs and sending you a regular statement.

When you obtain legal authority to arrange a longer-term financial arrangement for the person you act for – the annual administration fee would be replaced by Deferred Payment Agreement fees if you enter into a Deferred Payment Agreement with the Council.

Interest on Interim Funding

From the start date of the Interim Funding arrangement we charge:

- interest on the accruing accommodation costs at the same rate as for Deferred Payment Agreements
- interest on the administration fee (where this is accrued) at the same rate as for Deferred Payment Agreements

Interest is charged daily and compounded – this means that interest is charged on the interest that has already been added to the balance of accrued accommodation costs (and administration costs where these apply).

Details of administration fees and interest charges for Interim Funding arrangements are set out in [Appendix J: Charges for Deferred Payment Agreements and Interim Funding Arrangements](#)