



## Finance

**This factsheet outlines the financial changes being introduced as part of the Care Act. This includes Deferred Payment Agreements being offered by all local authorities and the funding reforms which are due to be introduced in April 2016.**

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### **What is a Deferred Payment Agreement (DPA)?**

A deferred payment agreement is an arrangement with the council that will enable people to use the value of their homes to help pay care home costs. If you are eligible, we will help to pay your care home bills on your behalf. You can delay repaying us until you choose to sell your home, or until after your death.

A deferred payment agreement means that people should not have to sell their home in their lifetime to pay care home bills.

### **Who is eligible for a deferred payment agreement?**

The Care Act states that from 1 April 2015 a DPA will be offered to anyone who meets the eligibility criteria if:

- you are receiving care in a care home (or you are going to move into one soon)
- you own your own home (unless your partner or certain others live there)
- you have savings and investments of less than £23,250 (not including the value of your home or your pension pot)

### **What are the funding reforms?**

The Care Act does not mean that people will stop paying a contribution towards the cost of their care. However, the Act aims to give everyone peace of mind that they will get the care they need and be protected from unlimited costs if they develop very serious care needs through the introduction of a cap on care costs from 1 April 2016.

### **Why is the cap on care costs being introduced?**

Most people currently pay something towards their care and support costs, and will continue to do so.

The cap on care costs will protect those who may need many hours of care a day from unlimited care bills. It will also help people to plan for future care costs.

### **What is excluded from the cap on care costs?**

If you choose to spend more on care and support than the council would normally pay, for example moving to a more expensive care home, those extra amounts you spend will not count towards your cap on care costs.

If you live in a care home, you will also have to pay something towards the costs of food, energy bills and accommodation, just as you would if you were living in your own home.

These are known as 'daily living costs' and an amount for this will be set nationally. There are also some types of service that are not covered by the cap on care costs, for example the cost of a cleaner or gardener that you employ privately.