



Supplementary Agreement **(First and Third Party agreements)**

(FINAL)

INFORMATION SHEET SUPPLEMENTARY AGREEMENT (FIRST or THIRD PARTY AGREEMENT)

Where an individual has been assessed as eligible for financial support from Lancashire County Council (LCC) for entering residential or nursing care, the choice of home is a personal preference of the person who is going to be resident. This must be a home that is appropriately registered to meet their assessed need. If they are unable to choose a home themselves, it can be chosen for them by their families or friends.

A residential or nursing home may charge accommodation fees which are greater than the fees payable by LCC. Consideration needs to be given as to what the weekly fees are at the chosen home. If the preferred home's fees are higher than the amount that LCC have set to pay for the type of accommodation entered into, this will create a shortfall in fees which needs to be paid by someone other than LCC, a supplementary agreement is then required; this will either be a 'first' or 'third' party agreement depending on who is paying this shortfall.

The resident will be financially assessed and will be asked to pay a contribution towards the above mentioned fees payable to the home. This financial contribution will be in addition to the first or third party agreement.

Note 1 - First party agreement

This is where the resident pays the shortfall in fees themselves however **legally this shortfall can only be met by the person who is entering residential care in either of the following two circumstances:**

1. During a 12 week Property disregard period:
If the resident owns a property that is assessed as being subject to charging, the property will be disregarded for a period of up to 12 weeks from the date that they become a permanent resident in the care home. The resident can pay the shortfall from their own resources during this disregard period; if the resident is to pay the shortfall in this circumstance they must sign the first party agreement. An appropriate third party must be identified to pay the shortfall from the end of the 12 week disregard period therefore the third party agreement also needs to be completed and signed.
2. If the resident has been accepted into a deferred payment agreement:
This is a specific type of agreement available to residents who own property that is assessed as being subject to charging; the resident can pay the shortfall if they have signed a deferred payment agreement. If the resident is to pay the shortfall in this circumstance they must sign the first party agreement.
If you want more detail or further information about deferred payment agreements please read the deferred payment leaflet which can be found on the internet at <http://lancashire.gov.uk> (look for Deferred Payments' under the A-Z), alternatively you can request a copy from the Financial Assessment Team on 0300 1236708

Note 2 - Third party agreement

If neither of the above two circumstances apply the shortfall must be paid by a 'third party' i.e. someone other than the resident or Lancashire County Council. The third party agreement on page 2 has to be completed and signed by this third party i.e. a spouse, partner, relative or friend.

The amount of the shortfall is the difference between the actual cost of the home and the amount that LCC has set to pay for the type of accommodation entered into.

It is important to understand that the resident will be financially assessed to contribute towards the cost of the service as well. Therefore any third party agreement cost cannot be met from the resident's income.

This weekly additional amount should be paid for as long as the person resides in their chosen home and the agreement is in place. The home may request an increase in this payment from time to time although this would have to be with the agreement of the Care Home, Third or First Party and LCC.

If this third party agreement is temporary until a deferred payment agreement (DPA) is entered into and accepted then the third party payment must continue to be paid until the DPA is finalised. If the first party agreement is then backdated any third party overpayment will be refunded.

Before entering into a third party agreement it is important that the third party understands that they are entering into a financial agreement and the implications should they fail to make payments. **It is also important that the third party takes a long-term view of their personal financial situation, and takes advice appropriate to the complexity of their financial circumstances making plans accordingly.** The cost of the third party payment may be a substantial commitment over many years. The full impact of this payment on a personal situation needs to be considered and understood.

LCC has a legal duty to help an individual access financial information and advice which is impartial and independent from the council. For further information regarding independent financial advice please see LCC information sheet 7 - Funding your care and support needs - Independent Financial Advice.

The Third Party payment must be paid by Direct Debit, a mandate for completion is included with this agreement on page 8. Please return the completed Direct Debit mandate within 14 days to:

**Income Management Team
3rd Floor Christ Church Precinct
County Hall
Preston
PR1 0LD**

Once the Direct Debit has been set up the third party payee will receive confirmation and a schedule of payment dates. In exceptional circumstances where by the third party payee does not have a bank account that supports Direct Debit payments they must contact the Income Management Team on 0300 1236708 to discuss alternative payment options, and may be required to provide evidence to that effect.

The third party agreement will be reviewed periodically in line with the financial assessment.

The residential or nursing home may from time to time increase the accommodation fees charged, there is no guarantee that these increases will automatically be shared with LCC and any increase in fees may result in the first or third party payment increasing.

If at any time the financial circumstances of the third party payee changes and the agreed amount becomes unaffordable, it is the responsibility of that third party to contact LCC on 0300 1236721 to arrange a review. A review will be completed at the earliest opportunity following notification. Until that review is undertaken it is the responsibility of the third party payee to continue to meet the payments.

If the third party payee is no longer able to fulfil the agreement or ceases payment this could mean that the resident may be asked to move to a room or home that continues to meet their needs and is within the weekly amount LCC has set to pay for the type of accommodation needed.

If the third party payments are not made in accordance with the terms of the Third Party Agreement, LCC reserves the right to refer any outstanding debt to either an external Debt Collection Agency or to its internal Legal Services Debt Recovery Team to pursue. This will result in County Court Proceedings being issued against the signatory direct, which will incur the payment of additional costs and interest as are allowed by the Court. This may also result in the resident being asked to move to a room or home that continues to meet their needs and is within the weekly amount LCC has set to pay for the type of accommodation needed.

FIRST PARTY AGREEMENT

Residents Name:

LAS Reference Number:

Name of Chosen Home:

(1) Full weekly cost of the Home	£
(2) Weekly amount LCC has set to pay for this type of accommodation (this is prior to any financial assessment)	£
(3) Weekly amount to be paid by the First Party	£

Is this agreement due to a 12 Week Property Disregard?

Yes No

If yes please sign and complete the agreement below; ***the third party agreement also needs completing by the third party who has agreed to pay following the 12 week disregard period.***

Is this agreement a Deferred Payment?

Yes No

If yes please sign and complete the agreement below.

I agree to pay LCC County Council the sum of £..... (3) for each week that I reside in the home, with effect from/...../..... I understand that this amount is the difference between what LCC would usually expect to pay and the actual cost of the accommodation. This amount may increase from time to time. Any increase will be notified to me (the resident) in writing, the care home, and LCC and I understand that there is no guarantee that any increased costs will automatically be shared evenly. This will continue for each week I reside in the home and the 12 week disregard or Deferred Payment Agreement applies.

Payment should be made every 4 weeks in arrears as per LCC's payment schedule and in the event of my death payment will be made for 3 days subsequent to the date of death in line with LCC's contractual arrangements with the care home.

I understand and agree that should any payment due under this First Party Agreement that remains unpaid for a period in excess of 4 weeks from the date of billing, LCC reserves the right to give notice or to request an alternative placement is sought. Any outstanding debt will then be referred to either an external Debt Collection Agency or to its internal Legal Services Debt

Recovery Team to pursue. This will result in County Court Proceedings being issued against me as the Service User direct, which will incur the payment of additional costs and interest as are allowed by the Court.

Signed (By the third party): **Date:**

Name (In Block Capitals):

Address:

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NOTE: If signed on behalf of the Resident, please state relationship below:

Carer Relative Attorney

Receiver/Deputy C.O.P. Other

If Attorney or Receiver/Deputy in Court of Protection, please provide copies of official documentation

THIRD PARTY AGREEMENT

Residents Name:

LAS Reference Number:

Name of Chosen Home:

Name of person agreeing to Third Party Payment:

Relationship to Resident:

I agree to pay for the 3rd party top up by Direct Debit and will return a signed copy of the mandate in the post (to the address shown on the mandate) within the next 14 days.

(1) Full weekly cost of the Home	£
(2) Weekly amount LCC has set to pay for this type of accommodation (this is prior to any financial assessment)	£
(3) Weekly amount to be paid by the Third Party	£

I agree to pay LCC the sum of £..... (3) for each week that the person named resides in the home with effect from/...../..... I understand that this amount is the difference between what LCC would usually expect to pay and the actual cost of the accommodation. This amount may increase from time to time Any increase will be notified to me (the third party payee) in writing, the care home, and LCC and I understand that there is no guarantee that any increased costs will automatically be shared evenly.

I understand that payment should be made every 4 weeks in arrears as per LCC's Direct Debit payment schedule and in the event of the resident's death will continue to make payment for 3 days subsequent to the date of death in line with LCC's contractual arrangements with the care home.

I understand that the third party payment (3) has to be made from **my** capital or income and not the resident's income. The resident will be financially assessed and asked to contribute towards the LCC element of the cost of the stay (2).

I understand the third party payment (3) has to be paid for the duration of the care placement.

I confirm that if this third party agreement is temporary pending completion of a deferred payment agreement, I will make the third party payment until such time that the deferred payment is finalised. If at that point a first party agreement is backdated any overpayment will be refunded to me.

I understand and agree that should any payment due under this Third Party Agreement that remains unpaid for a period in excess of 4 weeks from the due date, Lancashire County Council reserves the right to give notice or to request an alternative placement is sought. Any outstanding debt will then be referred to either an external Debt Collection Agency or to its internal Legal Services Debt Recovery Team to pursue. This will result in County Court Proceedings being issued against me as the third party payee direct, which will incur the payment of additional costs and interest as are allowed by the Court.

Lancashire County Council reserves the right to give notice or to request an alternative placement is sought at which point a new agreement may need to be entered into.

Signed (By the third party): **Date:**

Name (In Block Capitals):

Address:

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.....

This Direct Debit mandate is to be used for a first or third party top up only

Residents name		LAS reference number	
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CT 100 DD (RES)



Instruction to your Bank or Building Society to pay by Direct Debit



Please fill in the whole form using a ball point pen and send it to:

Income Management Team
3rd Floor Christ Church Precinct
County Hall
Preston
PR1 0LD

Originator's Identification number

8	5	7	3	2	4
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Name(s) of account holder(s)

Reference (official use only)

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Bank or Building Society Account Number

--	--	--	--	--	--	--	--	--	--	--	--

Branch Sort Code

--	--	--	--	--	--	--	--	--

Name and full postal address of your Bank or Building Society

To: The Manager	Bank/Building Society
Address:	
Postcode	

Instructions to your Bank or Building Society

Please pay Lancashire County Council Direct Debits from the account detailed in this instruction, subject to the safeguards assured by The Direct Debit Guarantee.

I understand that this Instruction may remain with Lancashire County Council and, if so, details will be passed electronically to my Bank/Building Society

Signature(s)
Date:

Banks and Building Societies may not accept Direct Debit Instructions for some types of account.

This guarantee should be detached and retained by the Payer

The Direct Debit Guarantee



- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits.
- If there are any changes to the amount, date or frequency of your Direct Debit Lancashire County Council will notify you 10 working days in advance of your account being debited or as otherwise agreed. If you request Lancashire County Council to collect a payment, confirmation of the amount and date will be given to you at the time of the request.
- If an error is made in the payment of your Direct Debit by Lancashire County Council or your bank or building society you are entitled to a full and immediate refund of the amount paid from your bank or building society. - If you receive a refund you are not entitled to, you must pay it back when Lancashire County Council asks you to.
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us.