

CARE ACT 2014

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 1 – Care and Support

Deferred payment agreements

Section 34 – Deferred payment agreements and loans

222. This section provides for deferred payments agreements and loans. A deferred payment is usually made when a local authority is in a position to charge someone for care and support or related services under Part 1 but may also be made to help an adult (for example a person who makes their own care arrangements) to obtain care and support services which are not provided by a local authority under Part 1. In a deferred payment agreement the charges or loan advanced is repaid by the adult or from their estate at a later specified date, or on the happening of a specified event, such as the sale of property. The debt is normally secured against the person’s property to ensure repayment. Deferring payment can help people delay the need to sell their home or possessions.
223. *Subsection (1)* provides that regulations may specify when an authority may or must offer someone a deferred payment or loan.
224. *Subsection (2)* makes clear that a deferred payment agreement is an agreement where the sum or part of the sum owed to the local authority does not have to be repaid until a specified time.
225. *Subsection (3)* provides that a deferred payment agreement may include services that are not necessary to meet someone’s needs, for example preventive or extra services which may be in addition to the care and support the authority is providing.
226. *Subsection (4) and (5)* allows regulations to be made as to whether a local authority must have, and if so what will constitute security for the deferred payment. Adequate security may include a charge on the individual’s property or a guarantee from a third party.
227. *Subsection (6)* makes clear that a “deferred amount” is the amount which the adult does not have to repay until the time specified or determined in accordance with regulations.
228. *Subsection (8)* makes clear that the section also applies to a loan other than a deferred payment agreement which a local authority agrees to make to an adult to assist the adult to obtain care and support. It makes clear that the loan may be for care and support other than that which the authority considers is necessary for the purposes of meeting needs, for example preventive or extra services.