
From: Dan Watkins, Cabinet Member for Adult Social Care and Public Health
Richard Smith, Corporate Director Adult Social Care and Health

To: Adult Social Care Cabinet Committee – 15 May 2024

Subject: **Adult Social Care Charging Policy - Self-Funding Arrangement Fee**

Decision no: **24/00048**

Key Decision : It affects more than 2 Electoral Divisions

Classification: Unrestricted

Past Pathway of report: None

Future Pathway of report: Cabinet Member Decision

Electoral Division: All

Is the decision eligible for call-in? Yes

Summary: The report provides information about the outcome of the consultation regarding proposed changes to the charging policy. Specifically, to introduce a self-funding arrangement set up fee for all new self-funders.

Recommendations: The Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make **RECOMMENDATIONS** to the Cabinet Member for Adult Social Care and Health on the proposed decision to:

- a) **APPROVE** the changes to the Adult Social Care Charging Policy; and
 - b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to revise the Adult Social Care Charging Policy and to take relevant actions, including keeping the policy updated as necessary, to implement the decision.
-

1. Introduction

- 1.1 The council's budget which was approved in February 2024 included provision, subject to the necessary consultation and impact assessment to change the charging policy for people who receive care and support in their own home or in the community. As a result, it is necessary to consider the amount we charge to arrange care and support on behalf of self-funders.

- 1.2 This report is about the council's proposed change to its charging policy for adult social care provided in a person's own home (e.g. homecare including supported living) or in the community (e.g. daytime support). Specifically, to introduce a new Self-Funding Arrangement Set up Fee for all new self-funders (people who have over the capital threshold) and would like the council to negotiate, arrange and manage care and support services with care providers on their behalf.
- 1.3 It is proposed that the new fee would be £352.00. This would be a one-off fee and would not be charged to existing self-funders supported by the council. This does not impact on people who live in and receive care and support in a residential care home.
- 1.4 A public consultation on the proposal to introduce a self-funding arrangement set up fee for all new self-funders was held from 6 February to 7 April 2024. The full consultation outcome report is attached to this report as Appendix A.

2. Background

- 2.1 Kent County Council (KCC) provides adult social care services to approximately 16,394 residents aged over 18 years old (data taken January 2024). Approximately 15,806 of these people receive chargeable social care services, this includes providing services like residential care and support and care in a person's own home or in the community.
- 2.2 When people living in Kent need adult social care, as well as assessing their care needs, we also assess their income to decide how much they pay towards their care. This is known as means testing. Some people do not need to contribute towards their care, some pay a contribution, and there are people that pay for all of their care (these people are known as self-funders).
- 2.3 If the person has more than £23,250 in savings and other capital (not including the value of their main or only home) they must pay the full cost of their care and support. Self-funders can choose to arrange their care themselves or ask the council to do it on their behalf.
- 2.4 Self-funders are still entitled to have an assessment of care needs and can ask KCC's adult social care service to arrange their care on their behalf or arrange it for themselves. They may ask KCC to arrange care on their behalf due to reasons such as the person finding the system too difficult to navigate or wishing to take advantage of KCC's knowledge of the local market for care and support services.
- 2.5 The Care Act introduced a new duty for councils to meet the needs of self-funders and the power to charge an Arrangement Fee. This applies to people who ask the council to meet their needs for most types of care and support. The Care and Support Regulations, set out that the fee should include the cost of negotiating and managing the contract with the provider and cover administration costs.

2.6 Arrangement fees charged by local authorities must cover only the costs that the local authorities actually incur in arranging care. Arrangement fees should take account of the cost of negotiating and/or managing the contract with a provider and cover any administration costs incurred. Local authorities must not charge people for a financial assessment, needs assessment or the preparation of a care and support plan.

2.7 KCC currently charges self-funders an annual Arrangement Fee. For 2023-24 it was £127.59 (£2.44 paid weekly). In April 2024 it increased to £160.37 (£3.08 paid weekly) to reflect the annual increase for inflation uplift and review of the fee. The previous review of the Arrangement Fee was carried out in 2017.

3. How we compare to other councils

3.1 The table below shows the fees charged by other councils for these services and how KCC compares with them for the proposed Self-Funding Arrangement Set up Fee of £352.00 and the 2024-25 Arrangement Fee of £160.37 (£3.08 paid weekly).

3.2 Some councils have higher or lower charges due to their costs, which may be why charges vary from council to council.

Council	Initial set-up fee £	Annual fee £	Ongoing fees (per week) £	Change of provider fee £
Portsmouth	45.00	-	12.00	-
Herefordshire	100.00	-	2.19	-
West Sussex	195.00	-	6.00	195
Leicestershire	281.00	-	-	-
Surrey	295.00	125.00	5.00	-
Hampshire	296.00	-	6.00	-
South Gloucestershire	304.00	78.00	-	304
Wokingham	322.60	240.60	-	-
Reading	325.50	267.50	-	-
Kent County Council	352.00	-	3.08	-
Staffordshire	400.00	182.00	-	-
Haringey	650.00	-	-	-
Havering	-	243.30	-	-
Croydon	-	260.00	-	-
Richmond	-	-	54.00	-

4. Other options considered

- 4.1 Before deciding on the preferred proposal presented in the consultation, a number of options were considered:

Alternative/additional option considered	Why the option has not been taken forward to consultation
Increase the weekly Arrangement Fee only (no new initial set-up fee)	<p>The majority of the work is the initial set up of care and support arrangements by KCC, which is reflected in the proposed one-off set-up fee.</p> <p>Despite current self-funders not having had to pay a set-up fee it was felt that it would be unreasonable to increase the cost of the weekly fee to cover work that had taken place in the past and unfair to include a one-off cost in an annual fee.</p>
Introduce a fee for changing provider	<p>The review of other councils showed some had introduced a fee for changing provider. Changing a provider adds additional work and costs in making changes to care and support arrangements.</p> <p>This option was considered as part of the review, but due to the complexities in applying this fee, it was agreed not to progress this further.</p>
Do nothing	<p>Due to the significant financial challenge being faced by KCC, we need to ensure we make the best use of our resources. By introducing the proposed initial set-up fee, we will cover the costs associated with supporting new self-funders. If we continue to not fully cover these costs, then other options will need to be considered.</p>

- 4.2 Following consultation, we have identified that **older people are mostly impacted**. The consultation did not suggest any further options for consideration and no other mitigations have been identified.

5. Financial Implications

- 5.1 The latest budget monitoring presented to Cabinet on 21 March 2024 shows £30m budget gap for 2023/2024, of which £31.3m relates to the Adult Social Care and Health Directorate before management action and one-off use of reserves are considered. Members have agreed the immediate actions needed to reduce spending in the short term and have set the course for getting the council back to financial sustainability, securing the services that residents in Kent need the most.

- 5.2 Forecast spending growth in the 2024/2025 budget approved by full Council is £209.6m (excluding externally funded). The net change to the budget is £113.9m (matched by funding increases through government grants, council tax, etc), leaving £95.7m savings and reserves to balance the budget.
- 5.3 Of the above, the spending growth in Adult Social Care (including the services for 18-25 year olds) 2024/2025 is £115.8m as stated in the 2024/2025 budget. The net change to the budget is £61.7m (matched by funding increases through government grants, council tax, etc), leaving £54.1m in savings/additional income which needs to be found, of which this proposal is included within.
- 5.4 The proposed one-off set-up fee would be for all new self-funders only. In 2023 there were 400 new self-funders. Based on this figure (400 new self-funders), it has been estimated that the proposed change, introducing an arrangement fee of £352, could raise approximately £140,800 a year.
- 5.5 The review of the Arrangement Fee is to ensure it reflects the current activity levels, time and staff grade involved in arranging care and support, and therefore ensuring the council is able to cover all the costs involved, thus contributing to the ability to protect front line services.
- 5.6 There is increasing demand for care and support services and financial pressures on the council to manage public funds. To make sure that services are available to those that need them, the council must make the very best use of the resources it holds and consider every option to bring in more income.

6. Legal implications

- 6.1 If the person has more than £23,250 in savings and other capital (not including the value of their main or only home) they must pay the full cost of their care and support. Self-funders can choose to arrange their care themselves or ask the council to do it on their behalf.
- 6.2 Where KCC makes arrangements for self-funders' care, the [Care Act 2014](#) enables us to charge an "Arrangement Fee". This only applies to non-residential care and support and only for certain categories of people who would pay the full cost of their care and support. KCC currently charges self-funders an annual Arrangement Fee (paid weekly).
- 6.3 The Department of Health and Social Care (DHSC) gives all councils statutory guidance on how to work out the amount people may have to pay towards their social care services and how much they should be left with for living expenses. This is called the Care and Support Statutory Guidance which was issued with the Care Act. All councils must also comply with the primary legislation (Care and Support (Charging Assessment Resource) Regulations 2014). How much people pay towards their care is determined through a means tested financial assessment.

7. Equalities implications

- 7.1 An initial Equality Impact Assessment (EqIA) was published alongside the consultation document on Let's talk Kent. This has since been updated to reflect the views of consultees and other stakeholders from the consultation. This is a live document and will continue to be reviewed and updated. The EqIA is attached as Appendix B.
- 7.2 Age, disability, sex, race and carer's responsibilities have been identified as having potential for negative impact if we were to implement the proposed change.
- 7.3 The EqIA has identified that the highest proportion of self-funders currently paying the Arrangement Fee are older people aged 61 to 101 and females.
- 7.4 There are specific health, economic and ethnic inequalities that need to be considered in terms of the impact of raising charges for social care.
- 7.5 Some people may not want to pay the proposed Self-Funding Assessment Set up Fee and may choose to put their own arrangements in place. This may not be of the same quality of care organised by the council. Alternatively, those impacted may decide not to access the right levels of care and support or may decide to not access care and support at all. As a result, any Carer may be required to provide more unpaid care, thereby affecting their economic, social and emotional wellbeing. This might also result in an increased need for support from other KCC services.
- 7.6 The proposed changes could increase self-neglect and/or safeguarding as some people may choose to reduce or refuse care and support due to the increased cost. Some may decide to reduce or end their service resulting in their needs potentially not being met. There is limited evidence to suggest that this could happen, and this was not reflected through feedback during the consultation.
- 7.7 There is also the potential impact on wellbeing as some people may choose to not access care and support due to the Arrangement Fee which could have an impact negatively on the persons mental health due to increased isolation, their ability to maintain personal relationships and participation in leisure activities, and contribution to society. As wellbeing is individualistic this would need to be determined for each person. Older people are especially vulnerable to loneliness and social isolation – and it can have a serious effect on health.
- 7.8 The Equality Impact Assessment (appendix B) sets out how the above impacts have been considered and taken into account alongside any mitigations to reduce the impact.

7.9 During the Consultation the following points relating to age were shared:

“You cannot categorise people they are all different. We all come from different backgrounds and are a very diverse mix of people. Each individual should be considered on their own merits. I have recently turned 70, so I am concerned about these issues and how they will affect my future.”

“These changes are going to disproportionately impact on elderly and frail people at a time when they most need care and help. How then can you produce a fair and objective equality assessment impact. It is discriminatory against the elderly and as such undervalues their previous lives and contributions to society. This is a poor reflection both nationally and regionally. There has to be a better way to sort out shortfalls in resources than penalising older people.”

8. Consultation

- 8.1 KCC undertook a public consultation from 6 February to 7 April 2024. The consultation was hosted on KCC's [Let's talk Kent](#) website, with hard copies and support available for those who could not participate online.
- 8.2 Letters were sent to those who are currently self-funders to seek their views, but the nature of this proposal is that it will impact new self-funders and not existing. The letters contained a telephone number and email address to contact with any queries relating to the consultation or if the person was unable to access the information online and needed any support to take part. Contact details were also available on the website and all consultation material.
- 8.3 Easy read and large print versions of the consultation document and questionnaire were available at the outset, alongside a British Sign Language translation of the webpage. Posters to promote the consultation (displayed in libraries and gateways) gave information on how to request paper copies and support if people could not go online. Social care providers and staff were briefed and asked to support people in taking part in the consultation. People phoning for support were also given the option for staff to complete the online questionnaire over the phone for them if required. A Word version of the questionnaire was also available from the consultation webpage for those who did not want to complete the online version. For a full list of promotional activities undertaken please refer to the consultation report, appendix A..
- 8.4 In advance of the consultation, meetings were held with the People's Panel, whose members include people from the Older Peoples' Forums, Mental Health User Voice and the Kent Physical Disability Forum as well as Healthwatch Kent volunteers, to discuss the proposals and review the consultation material.
- 8.5 During the consultation constant monitoring took place to try to ensure that responses were being received across all response types including ethnic and faith groups. Where needed targeted communications were sent to encourage more responses. This targeting included reaching out to community groups and paid social media activities.

8.6 43 responses were received, with the below breakdown showing the extent to which they agree or disagree with the proposal.

How much do you agree or disagree with the proposal to introduce a new Self-Funding Arrangement Set up Fee for new self-funders?	No. of responses	% of responses
Strongly agree	5	12%
Tend to agree	16	37%
Neither agree nor disagree	2	5%
Tend to disagree	2	5%
Strongly disagree	18	42%
Don't know	0	0%
Total number of responses	43	

8.7 Following analysis of the feedback the main themes from the open questions were that some people felt it was fair and reasonable and others disagreed with the proposal.

8.8 Six themes were identified within the feedback. The below breakdown shows the number of responses for each theme. Some responses mentioned more than one theme, so the total number of responses is higher than the total number of questionnaires completed.

If you have any comments on our proposal, please share these with us below:	No. of responses	% of responses
Theme		
People said that the proposal was fair and reasonable	10	40%
People disagreed with the proposal	8	32%
Implementation of the proposal will have a negative impact on people's wellbeing	3	12%
Implementation of the proposal will have a negative financial impact on people	2	8%
KCC should provide further information about the proposal to new self-funders at the time of arranging care	1	4%
People thought the proposal was discriminatory	1	4%

8.9 The consultation report includes example quotes from consultee's responses.

9. Data Protection Implications

9.1 A full Data Protection Impact Assessment was carried out and signed off by the Information Governance Lead and the Corporate Director Adult Social Care and Health

10. Other corporate implications

10.1 Feedback from the consultation was shared with the KCC Strategic Reset Programme 18 April 2024.

11. Conclusions

11.1 The introduction of the Arrangement Fee reflects the current activity levels, time and staff grade involved in arranging care and support. This ensures that the council is able to cover all the costs involved, thus contributing to the ability to protect front line services.

11.2 The proposal to introduce an Arrangement Fee of £352 is estimated to raise an additional £140,800 a year if agreed. If this proposal is not implemented, then alternative savings/income would need to be achieved in other areas in KCC services.

12. Recommendations

12.1 Recommendation(s): The Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make **RECOMMENDATIONS** to the Cabinet Member for Adult Social Care and Health on the proposed decision to:

- a) **APPROVE** the changes to the Adult Social Care Charging Policy; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to revise the Adult Social Care Charging Policy and to take relevant actions, including keeping the policy updated as necessary, to implement the decision.

13. Background Documents

None

14. Report Author

Louise White
Project Manager
03000 413184
Louise.White4@kent.gov.uk

Lead Officer

Sarah Denson
Assistant Director of Strategy Safeguarding, Practice, Policy, and Quality Assurance
03000410740
Sarah.Denson@Kent.gov.uk

Relevant Director

Richard Smith
Corporate Director Adult Social Care and Health
03000 416838
Richard.smith3@kent.gov.uk