

North Tyneside Council

Report to Cabinet

Date: 27 November 2023

Title: Charging policy to agree changes in principle to the fees and charges arrangements in Adult Social Care and to agree public consultation on these changes

Portfolio(s):	Adult Social Care	Cabinet Member(s):	Cllr Janet Hunter
Report from Service Area:	Adult Social Care		
Responsible Officer:	Eleanor Binks	(Tel: (0191) 643 4063)	
Wards affected:	All		

PART 1

1 Executive Summary:

In line with the national picture, Adult Social Care services in North Tyneside Council are under significant pressure as demand continues to rise and the costs of delivering services increase in line with much higher levels of inflation. All local authorities are under pressure to continue to meet rising needs within available resources.

There are approximately 3000 people accessing social care services under the Care Act 2014 ("the Care Act") in the Borough. The Care Act gives local authorities discretionary powers to charge adult recipients for social care services provided to them. These contributions towards the costs of social care form an important part of the funding of adult social care and it is vital to ensure that the Authority's 'Contributions Policy for Adult Care and Support Services' ("the Policy") is up to date and is applied consistently.

A review of the Policy has been carried out considering the following;

- The needs of our community and our statutory duties
- Where demand for services has increased

- The actual cost of services – particularly following changes in the care market, and recent levels of inflation; and
- How we compare to our neighbours

This review has resulted in several proposed changes which have been described in the body of the report below, with options and suggested recommendations for each issue.

Increasing charges for social care services will provide an estimated £0.700m of additional income which will contribute to the financial sustainability of adult social care in North Tyneside. In proposing these changes, Cabinet is assured that people will not be charged more than it is reasonably practicable for them to pay.

Approximately 4% of people receiving care services will be affected by the proposed additional charges outlined in this report.

The impact of increased charges will be mitigated by:

- The Authority's minimum income guarantee, which is 5% more generous than the national guidelines recommend.
- Ensuring that financial assessments are undertaken to maximise a person's income and ensure that any additional costs incurred by having a disability are taken into account.
- Ensuring that no person is unduly impacted by more than one of the proposed changes.

Permission is being sought from Cabinet to commence a public consultation on the proposed changes to the charging arrangements for the provision of Adult Social Care. Once the public consultation has been concluded and the responses collated, it is proposed that a further report will be presented to Cabinet to so that Cabinet can make a decision on whether or not there should be any changes made to the charging arrangements included in the 'Contributions Policy for Adult Care and Support Services'.

2 Recommendation(s):

It is recommended that Cabinet:

- (1) Determines which of the options on the proposed changes to the Authority's 'Contributions Policy for Adult Care and Support Services' (including the Schedule of Charges annexed to the Policy) it agrees in principle;

(2) Authorises the Director of Adult Social Care to take all necessary steps to commence a 6-week public consultation on the proposed changes to the Authority's 'Contributions Policy for Adult Care and Support Services' (including the Schedule of Charges annexed to the Policy) on the proposed changes to the Policy agreed in principle by Cabinet.

(3) Agrees to receive a further report at the conclusion of the public consultation so that Cabinet can determine if the proposed changes to the 'Contributions Policy for Adult Care and Support Services' (including the Schedule of Charges annexed to the Policy) agreed in principle should be made to the Policy.

3 Forward Plan:

Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 13 October 2023.

4 Council Plan and Policy Framework

This report relates to the following priorities in the 2021-2025 Our North Tyneside Plan:

A caring North Tyneside

- We will provide great care to all who need it, with extra support available all the way through to the end of the pandemic.
- We will work with the care provision sector to improve the working conditions of care workers.
- People will be cared for, protected, and supported if they become vulnerable, including if they become homeless.

5 Information:

5.1 Background

The Authority's 'Contributions Policy for Adult Care and Support Services' was last updated in 2021. The Policy was developed in line with the requirements of the Care Act and outlines the principles for charging that are applied by the Authority. It is proposed that the Policy and Appendix B of the Policy, which is the Schedule of Charges, is updated to reflect the increased cost of delivering services. It is proposed that the Schedule of Charges be amended in respect of the charging arrangements for the following services:

- Charges for day care
- Transport charges for day care
- Administration charges for people who pay the full cost of their care.
- Appointee and deputyship charges
- Community funeral arrangements and charges
- Charges for Care Call

The review of the Policy also indicated areas where there were anomalies in the way charges were applied. It is proposed that changes are put in place to ensure a consistent approach and that the Policy is amended to provide greater clarity. The areas where there are proposed changes are:

- Charges for additional care workers when more than one care worker is needed.
- Ending £400 capped charges
- Charging for deep cleans

Section 14 of the Care Act outlines the principle for charging people in receipt of adult social care services and section 17 of the Act outlines the process for carrying out financial assessments to determine individuals' contributions towards their care and support.

The statutory guidance produced by Department of Health and Social Care states that people should not be charged more than it is reasonably practicable for them to pay, and that charging rules must be applied equally so those with similar needs or services are treated the same and anomalies between different care settings minimal.

The principle of the charging process under the Care Act is that services are means tested and people should be charged according to their ability to pay, with the Authority funding the remainder of assessed social care support to meet eligible needs. These proposals do not affect that principle.

5.2 Areas for Consideration:

5.3 Charges for Day Care Services

The Authority charges people £32.26 per session for day care services. If the day care centre provides and charges extra for transport, the Authority does not currently pass these charges onto the person. Even where someone has been financially assessed as being able to pay the full cost of their care and support, the Authority still only charges £32.26 and *not* the actual cost.

The 2023/24 financial year cost of day care is between £38.55 and £41.72 per session. The Authority is therefore undercharging by up to £9.46 per person per day, excluding transport. If someone uses transport arranged and charged for by the day centre the cost not passed on is up to £18.51 per person per day.

The Authority is therefore currently subsidising the cost of day care and transport for people who, under financial assessment would be expected to pay the full cost of their care. This subsidy is also being provided to people who receive means tested support for the cost of their care.

The following options are proposed:

Option 1 – Charge the actual cost of day care services.

This will only affect people whose maximum assessed contribution is more than the current day service charge of £32.26. In these cases, a person's contribution would increase, up to the maximum amount they have been assessed as being able to afford or the full cost of the service, whichever was the lower amount. These people would have an average increase of £16.65 per week.

Anyone assessed as able to pay the full cost of their care would be charged the actual cost of the service they receive.

It is also proposed that any additional costs for transport are passed on to the individual as part of their care and support plan.

Option 2 – Continue to charge at the subsidised rate.

The cost of day care services increased by 9.84% in April 2023 and will continue to increase year-on-year.

Continuing to subsidise the cost of day care will result in additional pressure on the Authority's budget and will reduce the Authority's ability to meet the needs of its residents.

Recommendation

Option 1 is the option recommended to be consulted on.

5.4 Administration charges for people who pay the full cost of their care and support.

Section 18(3) of the Care Act states that the Authority must arrange care and support for a person with eligible needs who has the financial means to arrange it themselves

but requests the Authority do so on their behalf. This is a requirement and there is no discretion around it.

People who are assessed as being able to pay the full cost of their care and support and ask the Authority to arrange it on their behalf benefit from the Authority's contracted rates, which are often significantly lower than private sector rates.

The Authority charges an up-front administration fee of £260 per year for arranging this care and support.

The current charging arrangement means that people pay a flat rate but will not always need care and support for the full year. For example, some people may regain their independence after a period of illness and/or rehabilitation, and some people may move into residential care or die before the end of the year and in effect, have paid an administrative fee for part of the year when they have had no services to administer.

The Authority has calculated the administrative time as costing £11.50 per week, which equates to £598 per year.

Option 1

Option 1 is to change the amount charged for arranging care and support on someone's behalf to £11.50 per week. This amount covers the cost of the amount of administrative time it takes to arrange care and support on someone's behalf.

By changing the frequency to weekly, people who do not receive care and support for the full year will only pay the weekly fee for the period of time when they receive input from services arranged by adult social care.

This is an increase of £338 per year. However, people would only pay the administrative fee while they receive services arranged by the Adult Social Care service.

Option 2

Option 2 is to increase the cost to £598 per year as a one-off payment (equivalent of the weekly proposed amount) with the acceptance that not all people will receive care and support for the full year.

Recommendation

Option 1 is option recommended to be consulted on.

5.5 Appointeeship charges

The Appointee and Deputyship Team currently manage finances for some people who cannot manage their own money and do not have someone willing or able to do this for them.

An appointee is a person or organisation who takes on the legal responsibilities of receiving and managing someone's welfare benefit entitlements, to ensure that everyday bills are paid, and that the person they are appointee for receives their personal allowance.

The Authority currently charges £5 per week when it acts as a corporate appointee (but does not charge a person when they have savings under £500).

A review has indicated that the charges by other local authorities range from £10.00 per week, to £22.09 per week.

Volume

Since 2020 the Authority has observed a 13% increase in the number of requests to be appointee or deputy. The current amount being charged does not meet the costs of the staff required to provide the service.

Option 1

To ensure the Appointee and Deputyship Team is sustainable and in line with other local authorities who provide a similar service, Adult Social Care proposes to increase the weekly fee charged to £10 per week.

This will enable the team to increase the revenue it generates so as to cover the costs of the increased staffing levels and to manage increased demand for its service.

Option 2

For the Authority to continue to absorb the additional cost of taking on cases at the current rate of £5 per week.

Recommendation

Option 1 is the option recommended to be consulted on.

5.6 Community funerals

Public Health or Community Funerals are provided by local authorities for people who have died and have no next of kin, or whose next of kin, relatives or friends are unable or unwilling to make the necessary arrangements for a funeral.

They are designed to protect public health and are important in ensuring that all individuals are treated with dignity and respect, regardless of their circumstances.

The Public Health (Control of Disease) Act 1984 ('the Act') places a statutory duty on local authorities to arrange for a burial or cremation where no suitable alternative arrangements are being made.

The Authority makes funeral arrangements for the deceased person through the Appointee and Deputyship Team. It arranges for officers to visit the deceased person's home to locate a will, or funeral plan. The Authority does not currently charge for this service.

Option 1

The proposal is to raise a charge of £300 per funeral for those who can afford to pay this fee. This will ensure that the costs of the time taken to visit a property and make arrangements for the funeral are covered thus ensuring the service can be provided in a sustainable way.

The deceased person's estate will be charged this fee amount if they have savings above the cost of the funeral.

Option 2

For the Authority to continue to absorb the additional cost of taking on cases and not charge for making arrangements for funerals

Recommendation

Option 1 is the option recommended to be consulted on.

5.7 Deep Cleans

The Authority has noted 100% increase in the costs of deep cleans since 2021/22 and costs are predicted to keep rising.

The current charging arrangement for deep cleans is that the person is charged up to their assessed maximum contribution towards a wider care and support plan, for one week only. This means that the Authority heavily subsidises the costs for some people. The nature of a deep clean means that someone's home often benefits from decluttering, including significant waste removal and well as carpet and upholstery disinfecting and cleaning. The benefits of deep cleans should last many months and charging for one week only as part of an assessed need, does not reflect the longer-term benefits.

If someone does not have eligible needs under the Care Act but asks the Authority to arrange a deep clean, the expectation is that they would repay the full cost of the deep clean via a repayment plan, if needed.

Option 1

For one off deep cleans to be charged at the persons weekly maximum charge for up to 6 months. This would be monitored to ensure the charge does not exceed the full cost of the deep clean.

Option 2

To continue to charge for 1 week's contribution, as is currently in place.

Recommendation

Option 1 is in the option recommended to be consulted on.

15.8 Charges for Care Call

Care Call provides a 24/7 community alarm and crisis response service across the Borough. It is not a statutory service, but people can receive the Care Call service as part of their care package if it meets one of their assessed needs under the Care Act. Care Call customers currently pay a weekly charge as shown below. People who receive Care Call as part of their assessed needs pay a contribution to the costs of all the services they receive, including Care Call, according to their financial assessment. Any North Tyneside resident can choose to purchase the Care Call service without having a social care assessment.

Service Description	Charge per week 2023/24	Number of people
Provision of telecare equipment, monitoring and emergency response	£6	3058
As above with a fortnightly welfare check	£9	7

The current Care Call charges do not meet the rising costs of running this service. It is proposed to increase the Care Call weekly charge in order to maintain the financial sustainability of the service.

Option 1

It is proposed that the weekly charge for Care Call is increased for all customers from £6.00 to £7.00 and from £9.00 to £10.50. It is proposed that fees continue to increase by 50p for the standard service and 75p for the higher service level (or the rate of CPI if higher) for the next three years to 2027/28.

This proposal is equitable in that all customers will be charged in the same way with the customers who receive the service under a Care Act assessment contributing according to what they can afford under their financial assessment.

The proposed new charge still compares very favourably with neighbouring authorities with Newcastle City Council's equivalent services charged at £7.14/ £9.98 per week in 2023/24 and South Tyneside charging £8.80/£11.80.

The option is estimated to bring in an additional £0.140m income in 2024/25 to support the sustainability of the service. The Authority will continue to market the service including specific targeted work around the Integrated Falls Pathway identifying new people who could benefit from Care Call.

Option 2

Maintain the current level of charges and do not implement any fee increases. This would impact on the Authority's ability to sustain this non statutory service in the future.

Recommendation

Option 1 is the option recommended to be consulted on.

5.9 Charges for people who require the support of multiple care workers (community-based support)

The Authority does not charge for additional care workers for people who require more than one care worker at a time. This is contrary to the approaches of all other local authorities in the region who all charge for *all* care workers.

This approach is universal in North Tyneside, both for people who require means test financial support towards the cost of their care, and those whose financial situation means they would ordinarily pay the full cost of any Authority arranged care and support.

It is proposed that this subsidy ceases and people's charges are calculated based on the full cost of their care. This change is reflected in a proposed revision to the existing policy in paragraph 12.1 within Appendix 1 to this report.

This change would result in 22% of people receiving community-based support seeing an increase in their charges, but only up to the maximum they have been assessed as being able to afford to pay.

A small number of people who ask the Authority to commission domiciliary care or extra care services on their behalf and are assessed as being able to meet the full cost of their care package would see an increase in their contributions averaging £243.61 per week.

Changing the policy in relation to charging for multiple carers is expected to raise an additional £0.400m of contributions to support the provision of social care in North Tyneside.

Option 1 – Charge for additional care workers up to the amount of the person’s assessed contribution

Option 1 would ensure that all people who are in receipt of adult social care are charged fairly, and pay what they can afford determined by the outcome of their financial assessment.

It is inequitable to offer some people, who have been assessed as able to pay the full cost of their care, a subsidy against the cost of their care while others in similar financial circumstances are not offered any subsidy.

Option 2 – Continue with the current policy of not charging for additional care workers.

Option 2 would mean that the Authority would continue to absorb the cost for additional care workers. This option is inequitable as subsidies for care are not applied fairly.

Recommendation

Option 1 is the option recommended to be consulted on.

5.10 Care charges capped at £400 per week.

Historic charging policies have capped social care charges at £400 per week, including for those whose care costs more than that and are financially assessed as being able to pay the full cost of their care. This currently applies to less than 1% of social care customers all of whom are over the age of 70.

Option 1

Option 1 is to financially reassess each person and establish if they are still over the capital threshold. If they are, they would be classed as being able to pay the full cost

of their care as per the current charging policy and relevant administrative fees would apply. This option treats all people in a consistent way.

Option 2

Option 2 is to not amend this historic arrangement, due to the age of the people affected.

Should the needs of those people increase and cost more than £400 per week, the Authority could pay the amount over £400.

This option would potentially result in a situation where people of similar ages and need for care and support are charged different amount for a similar service which is not in line with the Care Act 2014

Recommendation

Option 1 is the option recommended to be consulted on.

5.11 Summary and conclusion of proposals

The options set out in this report have been carefully considered to ensure consistency in the way that people who receive Adult Social Care services from the Authority, or arranged by the Authority are charged. They are intended to increase the amount of funding available in North Tyneside to provide social care services to those who cannot meet the costs of their care.

The Authority has subsidised the costs of providing some forms of care for many years. The cost of providing care has increased significantly in recent years with rising levels of inflation and the Authority has absorbed cost increases without passing those increases in costs to people whose financial assessment has determined that they would ordinarily be required to pay the full cost of their care.

Other proposed changes such as to the charges applied by the Authority for being the appointee for a person, and arranging community funerals would enable those services to be properly funded on a sustainable footing.

It is acknowledged that some people will fall into multiple categories and may have more than one increase. However, any increase in a person's charges for their Care Act eligible care and support, would not be above what they have been financially assessed as being able to afford. The circumstances of any individual faced with a significant increase will be considered on a case-by-case basis with the potential to taper the impact of increased charges over several years.

6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

To agree the recommendation set out in paragraph 1.2 of this report.

Option 2

Not to agree to the recommendations in paragraph 1.2 of this report.

Option 1 is the recommended option.

7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

The recommendations are intended to increase the amount of funding available in North Tyneside to provide social care services to those who cannot meet the costs of their care. The recommendations also address some aspects of inequity which have been identified which need to be addressed to ensure all people are treated the same, according to their financial assessment.

Appendices

Appendix 1: Contributions Policy for Adult Care and Support Services Proposed Amendment

Appendix 2: Contributions Policy Schedule of Charges

8 Contact officers:

Ellie Anderson, Assistant Director Business and Quality Assurance, Adult Social Care, tel. (0191) 643 7354

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Jane Cross, Senior Business Partner, Finance, tel. (0191) 643 3166

9 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

Equality Impact Assessment

[https://northtyneside.sharepoint.com/:w:/r/sites/ASCReportsforClearance/Shared%20Documents/General/26.10.2023%20-%20Charging%20Policy%20\(Cabinet%20Report\)/Background%20Document%20-%20EqIA%20Adult%20Social%20Care%20Charges%20Oct%2023%20v3.docx?d=w6b277d2ea7a34b778e11196cdbfe05cf&csf=1&web=1&e=obnCgl](https://northtyneside.sharepoint.com/:w:/r/sites/ASCReportsforClearance/Shared%20Documents/General/26.10.2023%20-%20Charging%20Policy%20(Cabinet%20Report)/Background%20Document%20-%20EqIA%20Adult%20Social%20Care%20Charges%20Oct%2023%20v3.docx?d=w6b277d2ea7a34b778e11196cdbfe05cf&csf=1&web=1&e=obnCgl)

Contributions Policy for Adult Care and Support Services. Policy in Tri.x. Local Resources, Finance, Financial Assessment and Appendix B Schedule of Charges

<https://northtynesideadults.trixonline.co.uk/resources/local-resources>
<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/charging-and-financial-assessment-for-care-and-support-policy-updated-june-2021%20%281%29.pdf>

Contributions Policy for Adult Care and Support Services Appendix B Schedule of Charges

<https://trixcms.trixonline.co.uk/api/assets/northtynesideadults/e4b6cf1e-c4e9-4722-a0fb-6d118f1008df/appendix-b-contributions-policy-schedule-of-charges.docx>

The Care Act 2014

[Care Act 2014 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

The Care and Support (Charging and Assessment of Resources) Regulations 2014

[The Care and Support \(Charging and Assessment of Resources\) Regulations 2014 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

The Care and Support Statutory Guidance

[Care and support statutory guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

These proposals, if ultimately accepted, will increase income from client contributions and fees and charges which form part of the Authority's funding for social care services. The expected increased income has been included within the initial proposals for the Authority's 2024-2028 Medium Term Financial Plan and

budget proposals for 2024/25. Any changes to these assumptions as a result of Cabinet's decisions would need to be built into the final proposals.

2.2 Legal

Although service users receiving Adult Social Care support from the Authority, be it home care, residential/nursing care or day care will be affected by the proposed changes set out in the report, the proposed changes are in accordance with the Care Act 2014 and its accompanying Statutory Guidance as regards charging for such care.

Given that the proposed changes will impact on service users and their carers/families it is essential that the proposed changes to the charging policy are consulted on.

2.3 Consultation/community engagement

2.3.1 Internal Consultation – Engagement has taken place with officers within the Authority with positive feedback from Senior Leadership Team and Adult Social Care senior management team. Consultation with Cabinet Member for Adult Social Care has also been undertaken.

2.3.2 External Consultation/Engagement

If the proposal receives approval from Elected Members, then a 6-week public consultation exercise will be carried out. This could include broad public consultation through social media opportunities. An online survey could be created to gather people's feedback. Individuals who are affected by the proposed changes will be contacted separately to be given information about the proposals in line with the Authority's accessibility policy. For the 120 people who will be adversely affected by the proposals care will be taken to understand their preferred way to participate in sharing their views, involving family members and advocates if this is needed.

2.4 Human rights

In deciding whether to agree the changes to charging for adult social care services in principle and approve the commencement of a public consultation, the Authority must have particular regard to the rights set out in Article 8 of the European Convention of Human Rights. This Article sets out rights to respect for a person's private and family life, a person's home and his correspondence. Article 8 rights apply to almost every aspect of daily life and are critical to those in need of adult social care services. The mitigations described in this report and within the Equality

Impact Assessment will ensure that people can continue to receive the services they require to maintain their human rights.

2.5 Equalities and diversity

All potential equality implications that may arise from these proposals have been considered. There are some negative impacts which are highlighted in the Equality Impact Assessment. These impacts have measures in place to reduce their impacts and support those needing assistance. This Equality Impact Assessment is part of the background information.

2.6 Risk management

Any risk management issues are included within the Authority's risk register and will be managed by this process.

2.7 Crime and disorder

There are no crime and disorder issues directly arising from this report.

2.8 Environment and sustainability

There are no environment and sustainability implications directly arising from this report.

PART 3 – SIGN OFF

- Chief Executive
- Director(s) of Service
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Assistant Chief Executive