

Committee Name and Date of Committee Meeting

Cabinet – 19 May 2025

Report Title

Review of the Non-Residential Charging Policy

Is this a Key Decision and has it been included on the Forward Plan?

No, but it has been included on the Forward Plan

Strategic Director Approving Submission of the Report

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Ward(s) Affected

Borough-Wide

Report Summary

The Care Act 2014 focuses on improving people's independence and wellbeing. It makes it clear that it is the duty of the Council to provide or arrange services that help prevent or delay people developing needs for care and support. The Council must maintain a service for providing advice and information relating to care and support. It states that Councils may make a charge for meeting needs, covering the cost that is incurred by the Local Authority in meeting the needs to which the charge applies. To do this, a financial assessment is required to determine an individual's contribution to their cost of their care.

The purpose of this report is to update Cabinet on the proposed review of the Non-Residential Charging Policy. This Policy was last reviewed in 2019 and focuses on ensuring ongoing compliance with charging regulations and to ensure equity in approach to charging for all who receive services and require a financial assessment. A review by legal colleagues has highlighted the need for a joint non-residential and residential charging policy. Therefore, it is proposed that a new Adult Care Charging Policy be produced that combines the two.

The aim of the report is to seek approval to produce and then carry out a consultation on a new Adult Care Charging Policy. It will set out the options available for the Council to consider, including options for the financial assessment. An initial review has been undertaken on the current Non-Residential Charging Policy and has identified three

areas for consideration. This report refers to the current policy, when benchmarked against other authorities in the region.

Recommendations

That approval is given to consult on a new Adult Care Charging Policy, that includes both non-residential and residential charging and will include consideration of the following areas:

1. The removal of the maximum charge for non-residential care, while maintaining the minimum charge of £1. **Recommended.**
2. The introduction of an administrative charge for organising care for people who fund their own care. **Recommended.**
3. The inclusion of all disability benefits when carrying out non-residential financial assessments for services. **Not Recommended.**

List of Appendices Included

Appendix 1 Part A - Initial Equality Screening Assessment

Appendix 2 Climate Impact Assessment

Background Papers

None.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None.

Council Approval Required

No

Exempt from the Press and Public

No

Review of the Non-Residential Charging Policy

1. Background

- 1.1 The Care Act 2014 focuses on improving people's independence and wellbeing. It makes it clear that it is the duty of the Council to provide or arrange services that help to prevent or delay people from developing eligible needs for care and support. The Council must maintain a service for providing advice and information relating to care and support. It states that Councils may make a charge for meeting needs, to cover the cost that is incurred in meeting the needs to which the charge applies. To do this, a financial assessment is required to determine an individual's financial ability to contribute to their care cost.
- 1.2 A service user who receives care and support in their own home will need to pay their daily living costs such as rent, food and utilities, and must have enough money to meet these costs. Under the care and support statutory guidance their income must not be reduced below a specified level after charges have been deducted. This is known as the 'Minimum Income Guarantee' and is designed to promote independence and social inclusion. The Minimum Income Guarantee ensures that the service user receives an income equivalent to Income Support or the Guaranteed Credit element of Pension Credit plus a minimum buffer of 25%.
- 1.3 The Budget and Financial Strategy for 2025/26 approved at Council on the 5th March 2025, included as part of the revenue savings proposals to review the current Non-Residential Charging Policy. In carrying out this review it has been identified following discussion with legal colleagues a recommendation to combine the Non-Residential Charging Policy with the Residential Charging Policy into one overarching Financial Charging Policy. This will enable greater transparency and access to information for the public and officers.
- 1.4 Additionally, the review has identified three potential changes to update the non-residential charging element and financial assessment service that is provided by the Council. In turn, these proposals would seek to ensure that there is equity and clarity in how this Policy is applied across all recipients of Adult Care Services. Councils have flexibility in how they charge, provided they do not exceed the actual cost of delivering the service.
- 1.5 Benchmarking against other Local Authorities has been inconclusive as there is a big variation in how other Local Authorities approach charging. It is also evident that many Councils are currently reviewing their own charging policies.
- 1.6 This report sets out the recommendations for Cabinet to consider on the proposed changes.

2. Key Issues

- 2.1 The Council has finite resources with which to meet the needs of not only an aging population, but one in which the level of need within all groups is

increasing. Demand for Council services is likely to continue to grow, year on year, notwithstanding the implementation of a strengths-based approach to the provision of support to all.

- 2.2 Currently, the way in which the Council delivers and charges for non-residential services results in the provision of a subsidy for some residents who have the financial means to pay the full economic cost. This means that there is less money available within the service to meet other potential demands. It is important that the Council finds a way to manage its limited resources in a way that is equitable to all current users, as well as those who may require support in the future.
- 2.3 It is incumbent upon the Council to ensure that all members of the community who have been assessed as requiring care and support receive appropriate services and that there are sufficient resources available to achieve this.
- 2.4 The Council is currently exercising its discretion to charge for services at a rate which is lower than the real cost of delivery and recognises that care and support plans are being subsidised. Some residents have the economic resources to meet the full cost of the care they receive. Those on a lower income would continue to receive the same service with no change to their charges. Such subsidies therefore have an impact on the delivery and development of other services given the finite nature of the budget.
- 2.5 All local authorities must be mindful of the impact that a potential reduction in this subsidy has on people who need services; they must decide whether a path can be found to ensure the effective delivery of future services against the potential financial impact on those who currently receive support.
- 2.6 The Council has discretionary power to charge for non-residential care services, covering the cost that it incurs in meeting service users' needs. The amount of the charge is determined by a financial assessment that is carried out as close to the start of service as possible.
- 2.7 Paragraph 8.43 of the Care and Support Statutory Guidance (October 2018) sets out the three areas of discretion that the local authority may consider:
 - Disregard additional income
 - Maximum charging
 - Charge a percentage of disposable income
- 2.8 Within the context of the statutory guidance, the Council has considered several areas of the Policy set out below.
- 2.9 The current Policy has set a maximum charge for the non-residential services that an individual receives based on the residential care rate, which places a ceiling on the amount chargeable to cover care costs which is equal to the rate for standard residential care.
- 2.10 The process for carrying out the financial assessment at present takes into consideration only the lower or middle rate of Attendance Allowance and

Disability Living Allowance, and the standard rate of Personal Independence Payments where services are only received during daytime hours; this is the case even where the service user is in receipt of the higher and enhanced rates of these payments.

- 2.11 The Council has a responsibility to arrange care for self-funders if asked to do so. Currently there is no charge for this service, but the Council is entitled to levy a charge for the cost of providing the service.
- 2.12 The option is available for the Council not to make any changes to the current policies following consultation. For any proposals that are agreed, it is recommended that these are fixed for a period of two years from the date of implementation, subject to further review and consultation after that time period or any legislative changes during that period.
- 2.13 The Care Act states the Council has discretion to charge for services, and the level at which those charges should be set, so long as they do not exceed the actual cost of delivering the service. Whilst the Council has the power to recover the full cost of service delivery from those who can pay and to ask for a contribution towards their care from those on lower incomes, following a statutory financial assessment, it must also consider the impact that this may have on the more vulnerable members of the community. It is with these principles in mind that the recommendations have been made for Cabinet consideration.
- 2.14 The consultation on the new Policy will include the Councils current approach to charging for residential care. This element has little room for discretion and has been reviewed more recently. There are no identified issues with this Policy and therefore no proposed changes to the charges for residential care, subject to consultation.

3. Options considered and recommended proposal

A new Adult Care Charging Policy is drafted and consulted on. The outcome of the consultation and any recommendations for the policy will be presented to Cabinet for decision by the end of 2025. The consultation will include consideration of the following two options and the exclusion of the third.

3.1 Minimum/maximum charge

Currently Rotherham Council has in place a maximum charge of £689 per week per individual for non-residential charges. Of the other Councils in South Yorkshire, only Sheffield currently has a maximum charge. The current minimum assessed contribution is £1 per week for Rotherham.

There are currently nine people who pay the maximum charge. Removing this could generate an additional £3,300 a week.

The option is to remove the maximum charge so as to charge up to the full cost of the care, and to retain the minimum charge of £1 per week.

3.2 Introduction of an administrative charge for organising care for self-funders

Currently Rotherham Council organises care for self-funders if requested to do so without charging. Both Barnsley and Doncaster charge an administrative fee to do this.

Self-funders are customers who have capital assets over £23,250 (or £46,500 as a couple) or customers who have chosen not to be financially assessed. There are currently 224 customers who fall into this category. An annual charge of £350/yr could increase income by over £70,000 a year.

The option is to introduce an annual charge to self-funders to organise their care, estimated at circa £350 a year.

3.3 Inclusion of all disability benefits in the financial assessment

Currently in Rotherham the process for carrying out the financial assessment takes into consideration only the lower or middle rate of Attendance Allowance and Disability Living Allowance, and the standard rate of Personal Independence Payments where services are only received during daytime hours; this is the case even where the service user is in receipt of the higher and enhanced rates of these payments.

There are currently 2,713 non-residential customers, of which 1,291 receive a high-rate disability benefit. A sample of 39% would generate an additional £11,000 a week so the full cohort is likely to be significantly higher.

The option is to include all legally admissible income when the financial assessment is completed

It is not recommended that this option be included in the consultation. This option is not recommended currently for consultation because of the detrimental and disproportionate impact on people with the highest care and support needs.

4. **Consultation on new policy**

4.1 Consultation is to be carried out with stakeholders through an online questionnaire and face to face sessions over a 12-week period. This consultation will be planned for summer commencement 2025, with letters being issued prior, to advise service users of their opportunity to feed back. The outcome of the consultation exercise will inform the future joint residential and Non-Residential Charging Policy for Adult Social Care subject to further Cabinet approval by the end of 2025.

5. **Timetable and Accountability for Implementing this Decision**

5.1 The final recommendations will depend on the outcome of the consultation with stakeholders. A further report on the outcome of the consultation and recommended changes to the current charging policy will be provided to Cabinet by the end of 2025.

6. Financial and Procurement Advice and Implications

- 6.1 There are no direct financial implications associated with the recommendations. Any cost of the consultation will be absorbed within service budgets.
- 6.2 There are no direct procurement implications associated with the recommendations detailed in this report.

7. Legal Advice and Implications

- 7.1 The proposals set out in the report are within the Council's discretion for charging as provided for in the Care Act 2014 and the associated Statutory Guidance.
- 7.2 The principles of a lawful and effective consultation known as the Gunning principles set out below. The proposed consultation as described in the report are consistent with those principles.
1. That consultation must be at a time when proposals are still at a formative stage.
 2. That the proposer must give sufficient reasons for any proposal to permit of intelligent consideration and response.
 3. That adequate time is given for consideration and response; and
 4. That the product of consultation is conscientiously taken into account when finalising the decision.

8. Human Resources Advice and Implications

- 8.1 No HR implications associated with this report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 There are not implications for children and young people as the Policy affects people over the age of 18 years.

10. Equalities and Human Rights Advice and Implications

- 10.1 The consultation period will have no implications on those with protected characteristics.
- 10.2 An Initial Equality Screening has been completed and is attached as Appendix 1.

11. Implications for CO2 Emissions and Climate Change

- 11.1 Removing the maximum rate charged for non-residential care in the development of a new, combined Financial Charging Policy might affect the number of people accessing non-residential, opposed to residential care. This could have marginal impacts on emissions from transport and domestic

buildings, but there is currently no monitoring in place to measure such a change. This and other recommended changes are intended to support the financial sustainability of care services in the Borough and hence their resilience to other pressures, which could include climate change impacts.

11.2 A climate impact assessment is included at Appendix 2.

12. Implications for Partners

12.1. The main implications are for Finance and Customer Services, which have been engaged with the policy review and will remain engaged throughout the consultation process.

13. Risks and Mitigation

13.1 The risks of not agreeing to the recommendations are that the Council does not have a current effective policy, that is in line with other Authorities, and this may be detrimental to the financial sustainability of the Council.

14. Accountable Officers

Ian Spicer, Strategic Director of Adults, Housing and Public Health
Kirsty Littlewood, Assistant Director, Adult Care & Integration

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp OBE	01/05/25
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	14/04/25
Assistant Director of Legal Services (Monitoring Officer)	Phil Horsfield	10/04/25

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