

CABINET DECISION

Adult Social Care Fees and Charges Consultation

Cabinet Member for Adults, Health and Wellbeing - Cllr Pauline Beall

Summary

A Council's Adult Social Care Charging Policy outlines how they will charge for care and support, ensuring that charges are fair and based on a financial assessment.

The aims of a Charging Policy that is applied consistently to everyone with eligible adult social care needs are to ensure that people are not charged more than they can afford, and to ensure that the process is transparent and equitable.

Adult Social Care provides a range of financial management services for people in receipt of services at no cost to the individual. These services require a significant amount of resource and capacity to ensure we are meeting our requirements and managing individual's finances appropriately. We are one of the last Local Authorities in the region and across the national landscape who do not apply administration and management costs against these services.

We already apply charges to individuals who are in receipt of Court appointed Deputyship. Local authority financial deputyship is a court-appointed role under the Mental Capacity Act 2005 that authorises the Council to manage the property and financial affairs of an adult who lacks mental capacity and has no suitable person able to act on their behalf. The appointment is made by the Court of Protection and allows the local authority to undertake ongoing financial management, such as paying bills, managing income and assets, and meeting care charges, within the specific powers granted by the court and subject to statutory oversight by the Office of the Public Guardian. For those people who have a court appointed deputy for property and finance we charge the following amounts:

- Application Fee: £421
- Hearing Fee (if required): £259

Deputyship costs

- Deputyship work up to order £745.00
- Subsequent years is £824 for net assets over £20,300.00 and up to 3.5% of net assets below £20,300.00.

- OPG report £216.00.
- Basic HMRC return: £89
- Property management, HMRC, travel and other claimable costs are only where applicable and have very limited scope of when they can be claimed.

As a result, we want to ensure equity of charging across several financial management services and therefore undertake a public consultation to introduce a new fees and charge policy. As this is a significant change to policy and approach there is a requirement for the local authority to consult with the public to ensure open and transparent decision making. Adult Social Care has had a working group including finance officers exploring this at a national and regional level to ensure any proposed charges are reasonable and appropriate and in line with others.

The consultation will be an open consultation with all residents of Stockton and will be available on the council website, via a survey. This will cover the proposed fees for Appointee charges and deceased estates. Accessibility requirements are being built in, including multiple response formats and support for people who require reasonable adjustments. All people who are currently being supported with appointeeship within Stockton Council will be advised of the consultation process (via letter or telephone call) and supported to respond if they require it. Drop-in sessions will also be available for the public to attend, and support will be offered at these. All communication is available both in accessible format and easy read format.

These charges will provide a forecasted income of £167,000 in year one rising to £386,000 in year three. The Council is facing a difficult budget gap, and this income will support the sustainability of the service offer in the future.

Reasons for Recommendation(s)/Decision(s)

- The purpose of this report is to seek approval from the Cabinet for a new Adult Social Care Charging Policy, following public consultation.
- Cabinet to approve a Borough wide consultation process for introducing fair and transparent charging costs in line with other areas.
- To ensure equity of access and application to people within the Borough.

Recommendations

1. To authorise the commencement of consultation on the proposed introduction of fees and charges as set out in this report
2. To delegate authority to the Director of Adults, Health and Wellbeing, in consultation with the Cabinet Member for Adults, Health and Wellbeing, to agree and introduce a Care Charging Policy subject to the outcome of the consultation

Detail

1. Local Authority Appointeeship

1.1 Local authority appointeeship is a service provided to individuals who lack the mental capacity to manage their own financial affairs and where there is no suitable family member or other appropriate person able to act on their behalf. Under appointeeship, the Council is authorised by the Department for Work and Pensions (DWP) to receive, manage and use a person's welfare benefits to pay for their essential living costs and care contributions. The service ensures that individuals' finances are managed safely, responsibly and in their best interests, supporting financial stability and safeguarding vulnerable adults. We currently have 346 people who are accessing appointeeship services.

1.2 The provision of appointeeship involves ongoing administration and financial management, including budgeting, paying bills, managing contributions toward care costs, maintaining records, and responding to changes in circumstances. While many local authorities apply a reasonable charge to cover the cost of delivering this service, the Council does not currently charge for appointeeship. Introducing a charge would contribute towards the costs of delivering the service, ensure fairness and consistency with other authorities, and align appointeeship with similar arrangements such as Court of Protection deputyships, where fees are routinely applied. Any proposed charge would be proportionate, transparent, and applied in accordance with relevant legislation and guidance.

1.3 Redcar and Cleveland and Middlesbrough charge for appointeeship and Hartlepool have introduced charges from April 2026. Where the council is required to act as appointee for people who are unable to manage their benefits.

1.4 It is proposed that administrative costs are recovered as detailed below:

- Charge 3.5% of capital assets over £3,000 for appointee.
- Setup fee of £70
- Relinquishing fee £46

Local authorities Appointee charges

Durham	Doncaster	Walsall	North Yorkshire	Hartlepool	M'bro	R&C	Sunderland	Newcastle	Money Carer Private company	Stockton
Unable to obtain	£35 to £710 per annum	savings more than £1000 £780 per annum	Under review	setup fee £150 and charge of £660/£1020 per annum	£192 and £252 Per annum	£210/ and £72 Per annum	£283 Per annum	£260 and £390	£62.50 per month for light touch appointee £92.50 per month for comprehensive plan £62.50 per month care home based appointee plan	No charge for < £3,000 Set up £70. The charge for ending this is £46

2. Deferred Payments

2.1 A Deferred Payment Agreement (DPA) is an arrangement offered by local authorities that allows a person to delay paying some or all of the costs of their long-term care, usually when they move into a care home.

2.2 Instead of having to sell their home immediately to pay care fees, the local authority pays the care costs on the person's behalf and recovers the money later, typically when the property is sold or from the person's estate after death.

2.3 The purpose of a DPA is to ensure that people are not forced to sell their home during their lifetime to pay for care and are given time and flexibility to consider their financial options.

2.4 Local authorities in England must offer a DPA to individuals who meet the qualifying criteria set out in the Care Act 2014 and regulations. In general, a person will be eligible if:

- They are moving into long-term residential care (including those who arrange and pay for their own care);
- They are assessed as having eligible care and support needs;
- Their savings and assets (excluding the value of their main home) are at or below the upper capital limit (£23,250);
- They own a property that is not disregarded in the financial assessment;
- The local authority is satisfied that the deferred amount can be repaid.

Under a DPA:

- The local authority pays the agreed care costs on an ongoing basis;
- These costs are deferred and treated as a loan;
- The agreement is usually secured against the person's property by a legal charge registered with the Land Registry (similar to a mortgage);
- The total amount deferred increases over time, up to a set equity limit to protect both the individual and the council.

2.5 A Deferred Payment Agreement can cover:

- Care home fees agreed with the local authority;
- Some additional charges, such as:
 - Interest (set nationally and linked to government borrowing rates);
 - Reasonable administration and legal costs, including setting up the property charge;
 - Local authorities cannot charge more than the actual cost of running the DPA scheme.

2.6 The deferred amount is normally repaid:

- When the person sells their property;
- From the person's estate after death;

- Or earlier, if the person chooses to repay at any point.

2.7 The agreement will end once the debt is repaid in full, or if the individual no longer meets the DPA conditions.

2.8 Stockton Borough Council does not currently charge for the interest on Deferred Payments. Through consultation it is proposed that an administration charge and interest is applied on a compound basis, aligned with the frequency of payments made to residential care providers. This means interest would typically be calculated and applied monthly, for the duration of the individual’s care or until sufficient resources become available.

2.8 To recover the administrative costs associated with setting up and managing these agreements, it is proposed that:

- A £382 administration fee is applied to all new DPAs;
- Interest will be applied to new cases only, in line with the Care Act 2014.

2.9 Under the Care Act 2014, local authorities have the discretion to apply interest to Deferred Payment Agreements (DPAs). To ensure consistency and fairness across the country, a national maximum interest rate has been established. The interest rate is variable and may reduce in future years, which will impact on the level of income generated. From January 2026 the interest rate was set nationally at 4.75%

Local authorities Deferred payment charges

Durham	Doncaster	Suffolk	North Yorkshire	Hartlepool	M'bro	R&C	Sunderland	Cumberland	Newcastle	Stockton
£345 set up fee £107 annual fee admin fee £50	£356. £155.00 annual fee	£250	£199.00 set up fee. £157.00 Admin fee annual recurring fee £10.00 per invoice raised	£550	£407 and £190.00 annual fee	£848 plus	£854.90	£250 set up fee £350 Annual review	£500.00	£382 (one off set up cost)

3. Deceased Estate Management

3.1 Local authority deceased case management refers to the process undertaken by the Council to manage and finalise a person’s financial and administrative affairs following their death, where the local authority had been acting in a formal role such as financial deputyship or appointeeship, or where the authority is required to step in due to the absence of an executor, next of kin, or personal representative.

3.2 This process includes confirming death, securing and reconciling financial records, settling outstanding liabilities (such as care charges), closing accounts, and liaising with executors, probate services, or the Treasury Solicitor where appropriate. Where the local authority had formal legal responsibility during the person’s lifetime, it also has a duty to

provide accurate final accounts and ensure assets are managed lawfully until responsibility can be transferred or concluded.

3.3 Deceased case management ensures that the individual's estate is handled lawfully, transparently and proportionately, while enabling the Council to meet its legal duties, recover any lawful debts owed, and bring its involvement to a timely and appropriate close.

3.4 Our neighbouring authorities already charge for this service and within Middlesbrough and Hartlepool they are currently reviewing their charge. Redcar and Cleveland currently charge:

- Deceased with a Will or Next of Kin £890;
- Deceased with no Will or Next of Kin £1030.00 plus an admin fee of £25.00 per hour.

3.5 Where the council is required to administer a deceased estate and assets are available, it is proposed that an administration fee is applied to recover costs. This cost has been calculated on the average officer time required for each case.

- Proposed Fee: £799 per case if no will or Next of Kin
£550 per case if will or Next of Kin

Local authorities Deceased Estate charges

Durham	Doncaster	Walsall	North Yorkshire	Hartlepool	M'bro	R&C	Sunderland	Cumberland	Newcastle	Stockton
Not published	Not published	Not published	Not published	£100 fee under review	£300	£890 with a will/NOK. £1030 with no will plus £25 admin fee	Winding up £360 + VAT, if arrange funeral additional £200.00 + VAT	£312.00 for closure of services	Not available	£550 with a will/NOK £799 no will/NOK

Community Impact and Equality and Poverty Impact Assessment

An EPIA has been completed and risk mitigation for impacts are in place. This will be further developed post consultation process.

Corporate Parenting Implications

There are no specific implications as this applies to adults in receipt of care and support.

Financial Implications

The introduction of the proposed Adult Social Care fees and charges, subject to the outcome of public consultation and formal decision making, is forecast to provide an income stream for the Council to help cover the cost of providing the services outlined. The table below

summarises the projected income arising from the implementation of charges related to appointeeship and deputyship, Deferred Payment Agreements (administration and interest), and deceased estate case management.

Proposed Fee	2026/27*	2027/28	2028/29	2029/30
Appointeeship/Deputyship	£124,000	£165,000	£165,000	£165,000
Deferred Payment Admin	£9,000	£11,000	£11,000	£11,000
Deferred Payment Interest	£5,000	£34,000	£88,000	£171,000
Deceased Cases	£20,000	£27,000	£27,000	£27,000
Total: Forecast Income	£158,000	£237,000	£291,000	£374,000

* Assumes fees will be introduced from 1st July 2026.

If the decision is taken to proceed following consultation, the implementation of these fees will contribute to the ongoing financial sustainability of Adult Social Care by supporting the recovery of reasonable administrative and financial management costs that are currently met by the Council.

Income in the first year reflects partial-year implementation and a focus on new cases only, particularly in relation to Deferred Payment Agreements. Over time, income increases as the cumulative impact of interest applied on a compound basis to deferred balances grows, in line with the Care Act 2014 and nationally set interest rates. Forecasts are therefore sensitive to both the number of agreements in place and future movements in the national Deferred Payment interest rate.

The proposals align Stockton-on-Tees Borough Council with common practice across neighbouring and comparator authorities, where charges are routinely applied for these services. The income generated will assist in closing budget gaps within Adult Social Care and support the continued delivery of statutory services, while ensuring charges remain proportionate, transparent, and compliant with legislation.

Legal Implications

Sections 14 and 17 of the Care Act 2014 provide the legal framework for charging for adult social care and support. Section 14 of the Act provides a local authority with the power to charge for meeting needs under sections 18 to 20 of the Act. Section 17 of the Act creates a duty for a local authority to carry out a financial assessment which would arise where the local authority thinks that if it were to meet an adult's needs for care and support, or a carer's needs for support, it would charge the adult or carer under section 14(1) of the Act.

The Care and Support Charging and Assessment of Resources Regulations 2014 describe the limitations on local authority powers to make a charge for meeting needs under section 14 of the Act; and provide details about the requirements for carrying out financial assessments for the purposes of section 17 of the Act. Section 2(1) of the Act requires a local authority to provide or arrange for the provision of services, facilities or resources (or take other steps) which it considers will contribute towards preventing, delaying or reducing the needs for care and support of adults or for support in relation to carers.

The Care and Support Preventing Needs for Care and Support Regulations 2014 describe the rules permitting and prohibiting a local authority from making a charge for the provision

of services, facilities and resources under section 2 of the Act. The Care and Support Statutory Guidance, issued by the Department of Health in October 2014 and updated in June 2020 sets out how a local authority should perform its care and support responsibilities. This includes details about interpreting and applying the rules relating to charging and financial assessments as defined in both the Act and regulations.

Risk Assessment

There is a risk of increased appeals regarding the outcomes of financial assessments, should the policy be introduced. A Financial Risk Panel will be established within Adult Social Care which will consider and respond to appeals in line with the legal framework and a new fees and charges policy post consultation.

Wards Affected and Consultation with Ward/Councillors (refer to Concordat for Communication and Consultation with Members)

All wards will potentially be impacted. Consultation has taken place with Cllr Pauline Beall and this paper proposes a Borough wide consultation process.

Background Papers

No background papers are presented.

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