

Report to: Lead Member for Adult Social Care and Health

Date of meeting: 11 March 2025

By: Director of Adult Social Care and Health

Title: Public consultation on a proposal to introduce admin fees for adults who fully fund non-residential care and support arranged by East Sussex County Council

Purpose: To provide information regarding the proposed introduction of administrative charges for adults who fully fund care and support arranged by East Sussex County Council and to seek approval to consult on the proposal.

RECOMMENDATIONS: The Lead Member is recommended to agree to proceed with a public consultation on the proposal to introduce administrative fees for adults who fully fund non-residential care and support arranged by East Sussex County Council.

1. Background

1.1. The Care Act 2014 governs much of the work of the Adult Social Care and Health Department (ASCH). Particularly relevant for Financial Services are [section 14](#), which provides Local Authorities (LAs) with the power to charge for services, and [section 17](#), which places the duty on LAs to financially assess those who require care and support. East Sussex County Council (ESCC) enacts this power and charges for care and support services for adults who draw upon those services.

1.2. For the purpose of this report, 'fully funding' refers to when an adult accessing care and support under the Care Act 2014 has been financially assessed to not be eligible for any financial help towards the cost of their care and support arrangements and therefore would be expected to pay the full cost towards their care and support.

1.3. Section 8.15 of the [Care and Support Statutory guidance](#) (CASS) allows LAs to "apply an administration fee to cover its costs" in the case "of a person with eligible needs and assets above the upper capital limit (£23,250) who has asked the local authority to arrange their care and support on their behalf" (i.e. a person who is 'fully funding').

1.4. Currently ESCC does not charge an administration fee for costs incurred when arranging care and support for fully funding adults in this way, so are effectively subsidising this service for fully funding adults. However, such charges have been introduced by a number of other LAs (see Appendix 1) including many of ESCC's geographical neighbours such as West Sussex, Brighton & Hove, Surrey and Kent. Many LAs who did not previously charge have recently chosen to adopt charges considering the current financial pressures.

1.5. The National Association of Financial Assessment Officers (NAFAO) have also surveyed member LAs in October 2024 to compare admin fees for arranging care and this showed that charges of this type are now common.

1.6. Any administration fees charged by the Council "must cover only the costs local authorities actually incur in arranging care" (CASS Guidance section 8.59); the Council cannot generate a profit from such charges. In light of the challenging financial landscape and the Council's responsibility to ensure value for money under both the Local Government Act

1972 and the Localism Act 2011, the Council is now exploring whether to introduce charges as part of the Reconciling Policy, Performance and Resources (RPPR) process. Any charges introduced will be set on a cost recovery basis to reflect the costs incurred by the Council in arranging care for those who are fully funding.

1.7. Although ESCC do not currently charge a fee for arranging fully-funded non-residential care, there is already a comparable process in place at ESCC for [Deferred Payment Agreements](#), with individuals charged a set-up fee and an ongoing admin charge.

2. Supporting Information

Service context

2.1. Within East Sussex, as of November 2024, there are 2,369 adults who fully fund non-residential support arranged by ESCC, that could be impacted by the implementation of admin fees.

2.1.1. Of these, 1,969 adults are receiving Technology Enabled Care ([TEC](#)) support only (83%) and so are paying minimal charges (£2.85 or £3.85 per week). This group are invoiced on a quarterly basis.

2.1.2. There are 400 fully funding adults for whom ESCC is arranging other forms of non-residential care. These adults have weekly care costs ranging from £12 per week to £1,166.03 per week (mean £242.58, median £191.24), with a total weekly value of £96,791.04. This group are invoiced on a four-weekly basis.

2.2. Since April 2021, there have been around 1,400 new adults who have fully funded care arranged by ESCC, of whom nearly half accessed TEC-only support. This is an average of around 400 per year, although this figure has been increasing annually. It is expected that there would continue to be around 400 new fully funded adults per year, and it is this group who would be considered eligible for the proposed set-up fee.

Key considerations

2.3. Given the variety of approaches taken to charging by other LAs (shown in Appendix 1), there were a range of factors that needed to be considered when developing this proposal, as follows:

2.3.1. What to charge - Should there be a set-up fee when a care package is brokered, an ongoing fee to cover invoicing or a combination of the two?

2.3.2. How much to charge - What would an appropriate fee be to cover internal costs whilst complying with the requirement of the CASS guidance not to exceed the total cost to ESCC? How could this be calculated and evidenced?

2.3.3. Who to apply the charges to - For example, should this only be introduced for new fully funding adults? Is a fee appropriate for adults with low-cost packages of care, such as TEC-only?

2.3.4. When to charge - How often should fees be charged to enable full cost recovery without increasing the administrative burden for Accounts Receivable colleagues?

2.4. It is proposed that a public consultation is undertaken and a full Equality Impact Assessment (EqIA) will also be completed to ensure public views are considered and taken account of prior to a final decision being made on the proposal.

Proposal

2.5. The proposal is to introduce a combination of 2 charges, to ensure that ESCC can recover both the costs incurred in setting up care for those assessed as fully funding, and the ongoing costs for invoicing them.

2.6. This proposal complies with the relevant legislation: The Care Act 2014, The Care and Support (Charging on Assessment of Resources) Regulations 2014 and the Care and Support Statutory Guidance. To ensure that the Public Sector Equality Duty is met in respect of this proposal, an Equality Impact Assessment will be undertaken to assess the potential impacts of the proposal on those with protected characteristics.

Set-up fee

2.7. The recommendation is to implement a set-up fee to cover the internal costs when brokering a package of care and support for fully funded, non-residential adults.

2.8. This will apply to the estimated 200 new fully-funding adults each year who ask ESCC to set up a package of care on their behalf.

2.9. The proposed fee has been calculated at £200, based on estimated costs from teams involved in setting up packages of care. See Appendix 2 for calculations.

2.10. A fixed cost has been identified as the most effective way to apply this charge:

- Many of the internal processes are the same, regardless of the value of the care package, so administrative time taken is comparable across most cases;
- A fixed cost reduces the administrative impact, as otherwise time taken on each individual adult's care would need to be recorded by Supply Management and Service Agreement team staff;
- A variable cost would make this harder to communicate. Adults would be asked to agree to a set-up fee for their care without knowing what this fee could be, as the cost would vary depending upon the time taken to arrange and that would not be known in advance;
- A fixed cost is the approach taken by the majority of other LAs. Notably, the proposed ESCC fee of £200 is lower than the average charged by other LAs nationally (£258).
- If this proposal is agreed, and fixed costs are implemented, the value would be reviewed annually to ensure that this does not exceed the actual costs incurred by the local authority.

2.11. The proposal is to exclude the 200 new fully-funding adults who access TEC-care only from the set-up fee. This is because the TEC service is delivered by a commissioned provider and ESCC does not directly incur costs for setting up this care. As such, were the set-up fee to be applied to fully-funding adults who only receive TEC support this fee would exceed the

cost to ESCC and therefore would not comply with the requirement in the CASS guidance (8.59) for LAs to only cover their costs.

2.12. It would also not be appropriate to apply this retrospectively to fully-funding adults for whom ESCC has already arranged care. The work for brokering care will already have been completed and these individuals would have requested support to set up their care before they were aware that this could be a chargeable service.

2.13. If implemented as outlined above, this set-up fee would recover expenses incurred of around **£40,000 per year**.

Admin / Invoicing Fee

2.14. The recommendation is to implement an invoicing fee for all adults who are fully funding non-residential care set up on their behalf by ESCC.

2.15. This would cover the cost to ESCC for raising and processing invoices, including staff time and banking charges. This has been calculated at £11 per invoice (see Appendix 2).

2.16. This could be applied to all fully-funding adults for whom ESCC arranges non-residential care, including those accessing TEC-only support, as the same invoicing processes apply to them all. However, adults only receiving TEC support are invoiced quarterly whereas other fully-funding adults are invoiced every 4 weeks, so the frequency of the charges will differ across the 2 groups.

2.17. As per the set-up fee, this would be subject to public consultation. If agreed, the proposal would be clearly communicated to all adults who would be impacted prior to any changes taking place, with sufficient time provided for them to arrange their own care should they wish to avoid the proposed ESCC charges.

2.18. Applying fees to cover costs associated with invoicing for fully funding adults would also bring ESCC in line with many other LAs. The proposed ESCC invoice fee of £11 also compares favourably to those charged by other LAs, equivalent to £2.75 per week for non-TEC adults (charged every 4 weeks) and £0.91 per week for TEC-only adults (charged every quarter). The average invoice fee across other LAs is almost double the proposed ESCC charge, equivalent to £5.45 per week.

2.19. It is estimated that, if introduced, this would recover expenses incurred by the Council of circa £140,000 per year if applied to existing fully-funding adults.

Who this applies to	Current number	Invoice frequency	Total invoices per year	Potential cost recovery
Fully funding non-res, non-TEC adults	400	Every 4 weeks	5,200 (13 per adult)	£57,200
Fully funding adult accessing TEC only	1,969	Quarterly	7,876 (4 per adult)	£86,636
TOTAL	2,369		12,676	£143,836

2.20. In addition, this invoicing fee could be applied to the estimated 400 new fully-funding adults each year. This could generate an additional £20,000 per year (assuming an average of 32 new non-residential fully funding adults per month, with 50% of those accessing TEC-only care and therefore only receiving 4 invoices per year) reflecting the additional costs that would otherwise be incurred by the Council for managing the invoicing process on their behalf.

2.21. There is no identifiable, viable alternative that will enable ESCC to recover these costs. Adaptations have been made as the proposals have been developed, such as removing TEC-only adults from the set-up fee element, to minimise the impact as much as possible. Further changes may be required following the public consultation.

Projected Cost Recovery

2.22. The proposal is to introduce both charges; one to cover the set-up costs for new care and support and another to cover ongoing invoicing. It is estimated that, if introduced, the set-up fee would enable the Council to recover £40,000 per year.

2.23. Similarly, if introduced, it is estimated that the invoicing fee would enable the Council to recover £160,000 per year:

- £140,000 by applying invoicing fees to existing fully funding adults
- £20,000 by applying invoicing fees to the estimated 400 new fully funding adults.

2.24. The total estimated cost recovery from introducing these charges could be £200,000 per year.

3. Conclusion and reasons for recommendations

3.1. The Lead Member is therefore recommended to agree to proceed with a public consultation on the proposal to introduce admin fees for adults who fully fund non-residential care and support arranged by East Sussex County Council. This will ensure adults who could be impacted by these proposals can have their views heard and that the final plans are informed by this feedback. If agreed, the consultation is expected to take place from May to July 2025.

3.2. The Lead Member will consider the outcome of the public consultation and any updated plans in early Autumn 2025.

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Local Members
All Members

Background Documents

The [Care Act 2014](#)
The [Care and Support Statutory Guidance](#)