

2018-2020 Financial Planning and Budget Setting Process Business Case for Change

1. Summary

Title	Maximising Resources – Deliver our Fees and Charges Policy
Business Case Number	MR - Fees
Member	Cllr Gary Bell & Cllr John Harrison
Project Sponsor	Jacqui Old & Phil Scott
Project Lead	Ellie Anderson & Samantha Dand
Council Plan Theme	Our People
Creating a Brighter Future Theme	Maximising Resources
Saving or Income	Income
Total 18/19 Savings/Income	£(190,000)
Total 18-21 Savings/Income	£(190,000)

2. Business Case

Summary

In 2012 a piece of work was carried out and reported to Cabinet which set some guiding principles for discretionary charges which are set out below. These principles have subsequently been reviewed on an annual basis as part of the annual financial planning and budget process to test that they remain relevant and appropriate in the current planning horizon.

- **Fee set by statute;** a range of services provided by the Council are statutory functions and fees and charges are set by Government or within Government Guidelines, for example Planning Applications.
- **Universal services are paid for universally – differentiated services**

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are paid for by the user; in line with the increasing personalisation of public services it makes sense that the universal services the Council offer will be paid from the money the Council has as a consequence of general and local taxation. Where the service is differentiated and chosen by the consumer, then the services the Council offers will be paid for by the user.

- **Matching the market;** where the Council operates in a market, fees and charges will match that market and the quality of the product, for example, in commercial waste the Council's price point will reflect those of the other operators in the Borough. In sport and leisure, where the offer is among the best in the country, then prices will reflect that.
- **Staying in line with our neighbours;** where the Council operates a service that is statutory in nature or normal business for a local authority, North Tyneside will stay in line with its neighbours. This will avoid cross-border issues for individuals and communities and should prevent a localised market where that might be unhelpful. It should also help residents in tough financial times, for example in terms of Contributions for Adult Social Care services, school meals prices and burial charges North Tyneside is towards the cheapest in comparison to our neighbours. Usually, the Council will aim to be around the mid-point for Tyne and Wear and Northumberland – where it is not, we will know why and be able to explain it to Members and customers.
- **Considering ability to pay;** given the gap between the standard of living between the richest and poorest in the Borough and the Council's stated aim to raise aspirations and widen horizons the Council will consider and assess an individual's ability to pay for a service where that makes sense, for example, the national benefit rules and the Housing Benefit system when thinking about rent, or the Financial Assessment rules and Contributions Policy when thinking about Adult Social Care contributions.
- **Differentiated pricing;** in addition to an individual's ability to pay, the Council will consider the personal circumstances and differentiate some services to reflect the fact that residents already pay tax in the Borough and that some activities are good for the health and wellbeing of the people of North Tyneside and therefore we might wish to incentivise some types of residents to participate by paying less, for example, the suite of Ease Cards.

This business case presents an update following a review of our Fees and Charges Contributions and Payments from Customers

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Court of Protection Team Charges

1. The Court of Protection team helps people who have lost capacity to manage their money safely – this includes cases of financial abuse where people entrusted with managing the money of vulnerable people have mismanaged the finances, sometimes to the point of jeopardizing a person's care.
2. The Court of Protection team currently provide Deputyship under the Court of Protection where people need someone to fully manage finance and sale of property. If the Local Authority applies for deputyship the current one off fee is £745. A management fee of £650 per year is charged thereafter.

Currently the Local Authority assists people with completing Court of Protection forms and probate forms. A review of the market indicates that solicitors charge up to £1,900 for this service compared to an average of £55 charged by the Authority. Consideration has therefore been given to appropriate level of fee to reflect that there is less work needed than for the Deputyship as set out above. A charge of £500 is being proposed. Currently there are 10 – 15 cases per year, therefore a potential to raise £5,000.

3. Complex Deputyship cases: Doncaster refer anyone with assets over £75,000 or with properties to solicitors rather than the Council taking responsibility and it is proposed that we adopt this approach for North Tyneside Council, in order to manage workloads appropriately.
4. Winding up order for Deputyship – the current charge £300 was due for review and this charge is not governed by the Court of Protection. Taking into consideration the activity required to process an order the proposal is to increase the price to £745.
5. The Council will act as appointee when a person has capital of up to £8,000, which is high in comparison to other local authorities. If the person's capital is above £8,000 we currently apply for a Deputyship. Other areas apply for Deputyship and make the relevant charge for anyone with capital over £4,000, which would accrue the £650 per annum management fee (or 3.5% of net assets if assets are below £16,000). The proposal is that we move the threshold for Deputyship to £4,000.
6. Appointeeship – there are about 180 clients where the Council does not hold full deputyship through Court of Protection but does act as appointee for benefits. The proposal is to fall in line with other local authorities and charge £5 per person per week for acting as deputy. For people in care homes this would need to be an accrued debt paid from their estate on their death.
7. Winding up Appointeeship – the proposal is to charge £500 which is the maximum we can charge after funeral costs (which must be paid first).

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Changes to the Social Care Charging Policy for Non-Residential Services

1. Through the Care Act 2014, the Department of Health prescribed the minimum amount of income support a person must be left with after charging for care and support whilst living in the community. This is referred to as the Minimum Income Guarantee (MIG). The guidance underpinning this provides for how income is treated when implementing charges for care home provision and other settings. There is more flexibility in the charging arrangements for individuals living in the community in other settings.
2. North Tyneside Council currently uses the MIG +25%, which means that service users are left with a basic income plus a 25% buffer. This has been consistent with a number of other local authority areas and was developed as best practice.
3. The Department of Health circular LAC (DH) 2017 (1), advises that the MIG allowances for 2017/18 is to remain frozen at the rates first set in 2015/16. This means that North Tyneside is applying a higher buffer than it could otherwise do; the buffer within DH guidance is 18.6%.
4. Across the region there is a variable position:

Authority	Policy
Darlington	MIG +25%
Durham	MIG +25% but moving towards DH threshold
Gateshead	MIG +25%
Hartlepool	MIG +25%
Middlesbrough	MIG +25%
Newcastle	MIG using DH threshold
Northumberland	MIG using DH threshold
Redcar and Cleveland	MIG using DH threshold
South Tyneside	MIG +25%
Stockton	MIG +25%
Sunderland	MIG using DH threshold

5. The impact of the proposed changes is as follows
 - 2,659 service users are in receipt of non-residential care services and 797 (30%) make a financial contribution towards the cost of their care.
 - 1,862 (70%) of service users are currently on a zero charge as they are already on minimum income and therefore have no chargeable income. They will not be affected by this change in policy.
 - The amount of charge for each individual is dependent on the assessed charge and the volume of service received.
 - The maximum weekly impact would be as follows:
 - Person of pensionable age, £10.20 per week

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- Person aged 25-64, £0.35 per week
- Person aged 18-24, £0.55 per week

It is proposed these changes are implemented for new clients only from 1 April 2018, subject to the outcome of the consultation process

6. It is estimated the full year effect of the introduction of the change to the charging policy will increase income by £100k per annum.
7. It is proposed that full consultation is undertaken to seek the views of key stakeholders and the wider public including the community and voluntary sector and that this runs from December 2017 through to February 2018.

Bereavement Services

It is proposed to increase cremation, burial and purchase of grave fees between 1 and 3%.

Target Operating Model – alignment to key principles

1. We understand and manage demand	X
2. We enable people to help themselves	x
3. We use intelligence to target resource to best effect	
4. We Maximise income and reduce long term cost	x
5. We work in partnership to improve outcomes	
6. We are innovative and utilise technology to improve outcomes	

3. Financial Implications

Net Savings / Income	Cost Centre & Subjective	Part year? (months)	18/19 (£000s)	19/20 (£000s)
Court of Protection Team Charges	03469	5516	(60)	
Changes to the Social Care Charging Policy for Non-Residential Services	03469	5516	(100)	(100)
Bereavement income	05541	5351	(30)	
Total			(190)	(100)

Financial Analysis 2018/19

Expenditure/Income Line	Value (£000s)
Income	(190)
Total	(190)

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4. Staffing Implications

Affected FTE [Reduction (-), Increase (+)]	2018/19	2019/20
None		
Total		

5. Delivery Plan, Risks and Outcomes

Key Milestones		
Milestone	Lead Officer	Completion Date
Social Care		
Consultation with all affected clients	Ellie Anderson	January 2018
Information clearly stated in terms of the offer and charges on My Care and Council website	Ellie Anderson/ comms team	February 2018
Consultation on impact of proposed changes to the charging policy for non-residential services	Alison Tombs	February 2018
Bereavement Services		
Advise funeral directors of the increase in fees	Samantha Dand/Julie Evans	January/February 2018

Risk	Risk Score	Mitigating Actions
Court of Protection Team Charges		
Income could be affected if people decide to manage relatives finances themselves or appoint solicitors	D3	Review of the team structure
Changes to the Social Care Charging Policy for Non-Residential Services		
Support for individuals due to an increase in charge / contribution	D3	Individual financial assessment will be completed to determine actual level of contribution for each individual. This would include taking steps to maximise income and benefits individuals are in receipt of and links to other welfare services as appropriate.
Bereavement		
Assumptions are based upon previous data, as the death rate is unpredictable.	D3	Closely monitor income and consider a further review of fees and charges in year, where appropriate.

Performance Indicators		
Indicator	Baseline	Target

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6. Other Requirements / Dependencies

Technology Requirements

None

Client / Customer Implications

Social Care changes

Current clients are unlikely to be happy about significant increase in service charges particularly where the service is currently being provided free of charge.

Partner / Stakeholder Implications

Social Care changes

Consultation will be required with service providers who may need to support their customers to make alternative arrangements. Advocates may be required to ensure that customers with disabilities relating to cognition understand the implications.

Equality and Diversity Implications

Court of Protection

All affected customers will have or be connected to someone with a protected characteristic predominantly around disability. There are other methods for people to use in terms of safe financial management. This proposal surrounds asking people to pay for a non-statutory service. The costs of the service however will experience significant increases and primarily target people with a disability.

Changes to the Social Care Charging Policy for Non-Residential Services

All clients involved in services provided will have a protected characteristic and will be left with a reduced amount of disposable income. In mitigation the Council is still applying an 18% buffer in terms of personal finance and would be applying national guidance but there is a likelihood of complaints.

Bereavement

There would be no disproportionate negative impact related to protected characteristics, as price rises are being applied consistently to all people. The only exception applies to children under the age of 18 years old where burial and cremation fees do not apply.

Is this project also included/supported by Capital Investment?

Yes

7. Sign Off

Mayor / Cabinet Member(s)

Cllr Gary Bell & Cllr John Harrison

Head of Service(s)

Jacqui Old & Phil Scott

Finance Manager

Alison Campbell