
Adult Social Care Scrutiny Commission Report

Proposal to Implement the Care Arrangement Fee in Adult Social Care

Date: 13th November 2025

Lead Director: Kate Galoppi

Lead Officer: Adam Lacey

Useful information

- Ward(s) affected: All
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- Report version number: 1.0

1. Summary

- 1.1** Adult social Care arrange care and support on behalf of all people in our care, and this includes people who fund their own care.
- 1.2** The Care Act (2014) permits Adult social Care to charge an arrangement fee for this function under certain circumstances, and specifically to those individuals whose level of assets deem them responsible for funding their own care.
- 1.3** Leicester does not currently have such a fee in place, but further to research and other considerations a 6-week targeted consultation took place between 11th August and 26th September on the proposal to implement an optional care arrangement fee. The Care Arrangement Fee applies when the council is asked to arrange home-based care for people that pay the full cost for it (otherwise known as self-funders).
- 1.4** This report sets out the background to that proposal; presents the findings of the targeted consultation; and brings forward a refined proposal that has been adapted having listened to the feedback from people.
- 1.5** The report also outlines the measures that will be introduced to support self-funders in their decision making should this arrangement be introduced.

2. Recommended actions/decision

- 2.1** The Adult Social Care Scrutiny Commission is asked to:
 - a) Note the contents of this report and its appendices and provide comments as necessary.
 - b) Consider the rationale for implementing the Care Arrangement Fee, and the views that people consulted-with have about this proposal.
 - c) Provide comments on the proposal to introduce the fee.

3. Scrutiny / stakeholder engagement

- 3.1** This report has been created in cooperation-with subject matter experts in:

Social Work Practice
Adult Social Care Operational Finance

Adult Social Care Legal
Adult Social Care Brokerage

- 3.2** A 6-week consultation exercise has been completed with people that the Council have identified as being impacted by this proposal, should it be implemented.
- 3.3** The Lead Member for Adult Social Care and the City Mayor and their Executive Team have been consulted-with, with the recommendation to implement the new fee supported.

4. Background and options with supporting evidence

4.1 Rationale

- 4.1.1** Powers introduced with the Care Act, 2014 permitted local authorities to charge an arrangement fee in certain circumstances. Leicester City Council do not currently charge for the arrangement of care, but could under specific circumstances:

When a person is identified as paying the full cost of their home-based care* and asks the council to arrange this for them.

**A person is identified as paying the full cost of their care when it is known that they have savings and or assets above £23,250 or if they choose to not disclose their financial information as part of the process of assessment.*

- 4.1.2** Social Care and Education, like all Council departments, faces budgetary challenges. In Adult Social Care, targets to reduce operational growth, and with this, financial pressure are in place.
- 4.1.3** Arrangement fees charged by local authorities must cover only the costs that the local authorities incur in arranging care. Arrangement fees should take account of the cost of negotiating and/or managing the contract with a provider and cover any administration costs incurred – this has been calculated in 2025 to be a one-off fee of £165.47 that will rise annually with inflation.
- 4.1.4** Extensive research into Care Arrangement Fees has been completed and has identified that over 20 different local authorities currently charge for the service of care arrangement, with more considering-to. Fees vary across the different local authorities. An average fee of up to £282.70 was identified across 24 local authorities benchmarked-with. A summary of the research conducted can be found in Appendix A.

4.2 Consultation Proposal

- 4.2.1** A 6-week targeted consultation took place between 11th August and 26th September. The consultation was focused on people who would immediately be impacted by the proposal. A single proposal was consulted on:

A 'Care Arrangement Fee' is a new fee being proposed – to cover the council's administration costs for arranging care and support.

- 4.2.2 If the proposal was to be approved, people that pay the full cost of their home-based care and ask the local authority to arrange it for them would be asked to pay £165.47 (£3.18 per week) in addition to the cost of their care.
- 4.2.3 The proposal if implemented would mark a change in the council's current approach to care arrangement (whereby no charge is made). Therefore, people were asked how they would be impacted should they be asked to pay the care arrangement fee.

4.3 Consultation Approach

- 4.3.1 A 6-week, targeted approach to consultation was taken, to ensure that people that would be affected by the proposal were given the opportunity to provide their views:
- Letters detailing the proposal, including a survey and frequently asked questions leaflet were posted to 234 people known to Leicester City Council (for paying for the full cost of their home-based care) – the consultation material can be found in Appendix B.
 - The survey posted was also made available on the Council's online consultation hub (Citizen Space).
 - A dedicated telephone helpline was set up to assist people with the completion of surveys, answer any queries, and to note any comments or concerns raised.
 - A dedicated email inbox was set up (with details shared) to provide a supplementary route of contact for those that wanted to share their views or ask any questions, electronically.
- 4.3.2 Detailed correspondence was also sent to all city Councillors (including the Chairs of Scrutiny Commission) and local MP's to ensure that they were fully informed about the proposal, particularly to provide support to any constituent enquiries.

4.4 Consultation Findings

- 4.4.1 In total, 75 surveys were completed and returned, which represents a response rate of 32.1% - given the response rate for similar proposals regarding income, this is considered typical. This helps to provide assurance that the responses received are somewhat representative of the wider views of the people written-to.
- 4.4.2 The survey responses and comments received have been considered below. In addition to the survey, the findings also consider the nature of the calls and emails received regarding the proposal. The full findings report is available as Appendix C.

Impact of paying an additional £3.18 more per week for care

- 4.4.3 This question was asked to assess what the impact would be for people if they were asked to pay the Care Arrangement Fee. If the proposal was to be introduced, people that pay the full cost of their home-based care and ask the council to arrange it would be asked to pay £165.47 to cover the administration fees currently absorbed in council budgets.

- 4.4.4 People already in receipt of care arranged by the council would not be immediately impacted by the proposal – but could be asked to pay the fee should they want the council to arrange care with a new provider in future.
- 4.4.5 Nearly half of respondents (45%) reported that they would be able to manage paying the new, optional fee. 18% reported that paying the fee would affect them a little, limiting money for “extras or treats”. The remaining respondents noted that the fee would affect them a lot, limiting money for essentials (19%) and/or they would reconsider asking the council to arrange care for them (18%).

Additional Feedback

- 4.4.6 Respondents were provided the opportunity to share additional comments about the proposal. Just 25 people (33%) provided additional comments – the qualitative analysis of these comments identified 5 key themes:

Key Theme	Explanation
Care alternatives (4 comments received)	Some respondents indicated that a new fee would make them reconsider asking the council to arrange their care in future. This would not necessarily lead to people having unmet care needs, but rather more people organising their own care.
Affordability concerns (11 comments received)	Several respondents shared that a new fee would contribute towards growing costs of living. Some specifically mentioned that the introduction of the fee could accelerate the depletion of savings and/or assets. A depletion of savings and/or assets to below £23,250 would reduce the contribution made by the person towards their care, but increase the contribution made by the Council.
Fairness (6 comments received)	Some respondents commented on the wider ‘unfairness’ of social care support being means-tested. Some specifically mentioned feeling disadvantaged for having savings and/or assets. Whilst opinions shared are valid, decisions about means-testing for social care support are outside of this local authority’s remit.
Value (2 comments received)	A small number of respondents were interpreted as questioning the value provided by the council, to justify the fee proposed. The fee proposed is competitively priced (in comparison to other local authorities), and for the modest fee, can provide assurances to people regarding care cost, quality, consistency and stability.
Payment preference (6 comments received)	Some respondents questioned the reoccurrence of the fee proposed (£165.47 annually). After considering these comments and consulting with legal support, the frequency of paying the arrangement fee is proposed to be

	reduced – to paying the £165.47 fee when a change in provider is requested by the person receiving support.
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4.4.7 Whilst the concerns shared by respondents are valid and considered:

- The nature of the fee being optional,
- the value of the service provided (assurances on cost, quality, consistency and stability, as well as being competitively priced),
- the planned-for improvement in information, advice and guidance for self-funders, and
- the adjustments made to when the fee is made payable (only when services are provided),

are all offered as mitigation – especially for people mentioning affordability as a significant factor for their response provided in the survey.

4.4.8 An Equalities Impact Assessment has also been completed alongside engagement. Whilst the fee's implementation does not directly discriminate people based on a protected characteristic, there are risks identified that could impact people:

- i) The introduction of a new fee will increase the cost of living for those that it applies to. The fee itself is approx. ~£3.18 a week, can be billed every 4 weeks (instead of an upfront expense), and is optional to pay.
- ii) Should a person choose not to pay the fee and instead arrange their own care, the quality of it cannot be guaranteed, impacting the person and any carers dependent on it. A new, accessible information advice and guidance offer for self-funders will be created to better inform decisions made by people and their carers about arranging their own care.

4.4.9 With the above controls in place, the likelihood and impact of the aforementioned risks on people are both minimal. The Equalities Impact Assessment will also be updated 3 months into implementing the new fee to monitor these risks.

4.5 Options

4.5.1 Two options have been identified for consideration, in relation to the implementation of the new Care Arrangement Fee:

- 1) To continue in not charging a fee for the arrangement of care – to do nothing.
- 2) To implement a new, optional Care Arrangement Fee, chargeable whenever a person paying the full cost of their home-based care requests the council to arrange it for them.

Option 1: To continue in not charging a fee for the arrangement of care

4.5.2 This option would be to do nothing different in the council's approach to care arrangement. No fee would be imposed, and the cost of providing the service would continue to be absorbed into council budgets.

4.5.3 Implementing this option would not support departmental targets to reduce operational growth.

Option 2: To implement a new, optional Care Arrangement Fee – preferred option

4.5.4 This option would be to make a change in how the council approaches care arrangement:

- To make care arrangement a chargeable service whenever a person that pays the full cost of their home-based care asks the council to arrange it for them.
- For the chargeable service to be a one-off fee of £165.47 that is revised annually to be in line with inflation.
- For the fee to be charged when a person requests a new provider of care to be arranged by the council.
- To consider a 28-day cooling-off period when a fee is charged, to ensure the care arranged is suitable.

4.5.5 This option would see the Care Arrangement Fee implemented, under the guidance of The Care Act 2014 – whereby the administrative costs of arranging care are collected as a fee from people that use the service.

4.5.6 Care Arrangement Fees were originally proposed as an annual ongoing fee. Listening to the feedback shared by people (about value and fairness of an ongoing fee), and working with colleagues in Legal – the fee proposed is now one that applies only when a person asks the council to arrange their home-based care for them (only when a service is provided).

4.5.7 The fee itself would be optional to pay – if a person does not want to pay the council to arrange their care, the fee would not apply and the person would arrange their own care.

4.5.8 A review of the information advice and guidance offer available to people that pay the full cost of their care will be scoped into this – to inform better decisions made by people, their carers, and family that choose not to pay the fee proposed.

4.5.9 Implementing the fee to cover the administrative costs of arranging care (sourcing care, invoicing and quality monitoring) could deliver up to £19k towards council budgets in its first year of implementation, with up to a cumulative £113k by year 5.

4.6 Implementation of Changes

4.6.1 Subject to the decisions made this Scrutiny Commission, further work will be required to implement the proposal:

- Inform the people consulted-with, of any decisions made about the proposal.
- Work with colleagues in ASC Finance, IT and Social Work to design the practicalities of implementing the fee, including any guidance and communications for staff, people that draw on support, and their carers.
- Review ASC's Charging Policy to include information about the Care Arrangement Fee, in line with its yearly refresh – by April 2026

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

The implementation of this new fee will generate additional income to the council – by £19k in the first year and then a cumulative £113k in five years.

Signed: Mohammed Irfan, Head of Finance

Dated: 31 October 2025

5.2 Legal implications

Care and Support Statutory Guidance (the Guidance) at 8.59 states '*Arrangement fees charged by local authorities must cover only the costs that the local authorities actually incurs in arranging care. Arrangement fees should take account of the cost of negotiating and/or managing the contract with a provider and cover any administration costs incurred.*'

The items listed would fall under administration costs and the costs of negotiating and managing the contract.

The proposal relates to non-residential care needs only which is in line with the Guidance. The Guidance at 8.59 specifically prevents states that charges cannot be applied where a person above the financial limit requires a care home placement.

Signed: Susan Holmes, Head of Law

Dated: 20th October 2025

5.3 Equalities implications

When making decisions, the Council must comply with the public sector equality duty (PSED) (Equality Act 2010) by paying due regard, when carrying out their functions, to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between people who share a 'protected characteristic' and those who do not.

We need to be clear about any equalities implications of the course of action proposed. In doing so, we must consider the likely impact on those likely to be affected by the proposal.

Protected characteristics under the public sector equality duty are age, disability, gender re-assignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex and sexual orientation. It is important to note that income is not a protected characteristic under the Equality Act 2010.

The report presents the findings of the 6-week consultation and seeks a decision on whether to introduce the proposed Care Arrangement Fee.

Arrangement fees charged by local authorities must cover only the costs that the local authorities actually incur in arranging care. Arrangement fees should take account of the cost of negotiating and/or managing the contract with a provider and cover any administration costs incurred.

Local authorities must not charge people for a financial assessment, needs assessment or the preparation of a care and support plan. The cohort most likely to be affected by this fee will be people receiving adult social care, particularly home-based care and will be comprised of older adults and people with disabilities. In order to demonstrate that the consideration of equalities impacts has been taken into account in the development of the proposal and as an integral part of the decision-making process, an Equalities Impact Assessment has been undertaken and will be updated. It is important to ensure that the charging system is fair and transparent.

Signed: Surinder Singh, Equalities Officer

Dated: 13th October 2025

5.4 Climate Emergency implications

There are no direct climate emergency implications associated with this report.

Signed: Phil Ball, Sustainability Officer

Dated: 29th October 2025

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

6. Background information and other papers:

7. Summary of appendices

Appendix A – Care Arrangement Fee Research Summary

Appendix B – Consultation Pack

Appendix C – Consultation Findings Report