



Report of the Cabinet Member for Care Services

Cabinet - 10 April 2025

Annual Review of Swansea Council's Charges in Social Services

Purpose:	To present the consultation findings of the Social Services Charging Policy for Social Care, Support Services and other services provided by Swansea Council Social Services and the final charges to apply in 2025/26 following consultation.
Policy Framework:	Social Services and Well-being (Wales) Act 2014 (Part 5)
Consultation:	Social Services, Revenue and Benefits, Finance, Access to Services and Legal
Recommendation(s):	It is recommended that; 1) The findings of the public consultation are noted as part of the full IIA report (Appendix C) 2) The Charging Policy for Social Care, Support Services and other services provided by Swansea Council Social Services is accepted (Appendix A) 3) New charges and revised charges are implemented for the financial year 2025/26 (Appendix B)
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1. Background

- 1.1. This report outlines the findings of the public consultation as part of the full IAA report (**Appendix C**), the final Charging Policy for Social Care, Support Services and other services provided by Swansea Council Social Services (**Appendix A**) and the new charges and revised charges for implementation for the financial year 2025/26 (**Appendix B**), following the annual report which was presented to Cabinet in January 2025 which set out the findings and recommendations arising from the work carried out by the Social Services Finance and Charging Group.
- 1.2. Swansea's approach to the Annual Review of Social Services Charges is based on Audit Wales's best practice for reviewing charging (2016), to help ensure that Swansea's charging policy continues to be based on strong principles of fairness and equality. [Charging for services and generating income by local authorities | Audit Wales](#)
- 1.3. Council spending restrictions in relation to fees and charges require charges to be reviewed on an annual basis as part of the budget process with an assumption that all increase in line with inflation.
- 1.4. Where charges are not increased by inflation as expected we will explain the rationale for not doing so, for example where fixed by statute.

2. Charging Policy for Social Care

- 2.1. The Social Services and Wellbeing (Wales) Act 2014 enables local authorities to decide whether or not to charge people for the care and support services that are arranged and funded by them.
- 2.2. In common with many councils, Swansea Council has decided to charge for care. This is because the income received from care charges is critical to the Council being able to reach its statutory funding commitments and set a balanced budget. Without that income, it would not be possible to provide social care, so Swansea Council has no practical option other than to charge for social care services. The income raised helps to protect, maintain, develop, and extend care and support services in the right form to meet the needs of vulnerable adults in our area.
- 2.3. The new Policy drafted was published for a 4-week consultation throughout February. Despite extensive promotion and publication, only 21 responses were received.
- 2.4. Consultation indicated no significant change to the Policy as it stands. Full details of the reach and comments from the consultation can be found with the full IIA report (**Appendix C**).

- 2.5. The final version of the Charging Policy for Social Care, Support Services and other services provided by Swansea Council Social Services can be found at **Appendix A**.

3. Revision of Current Year Charging Structure

- 3.1. In recent years, the Council has uplifted most Social Care by a set percentage. In the current financial year, the average uplift was 6% and in 23/24, a figure of 10% was used. The primary exception to this standard uplift regards charges for private residential and nursing care. Subject to a financial assessment of the resident, these charges are linked to the fee that we pay. The 25/26 fees for this sector were confirmed as part of the Council's budget process in early 2025.
- 3.2. In our initial review of our charging structure, some anomalies have been identified, and we propose that these are corrected before any annual uplift is applied for 25/26. The work here is to reset the baseline prior to the 25/26 uplift and will mean that charges for 25/26 are higher than they would be should the current approach continue.
- 3.3. It is important to note that the revision of current residential charges referred to below in paragraph 3.4 to 3.6 will only impact new clients coming into our services from 1st April 2025. Charges for existing clients will remain as per the current individual placement agreement.
- 3.4. **Residential Care for Older Persons.** A differential has emerged between the maximum amount residents are charged for residential care depending on whether they reside in a council or a private care home. The maximum charge for private sector care is equivalent to the fee that Council pays for that care. Until April 2022, the maximum charge for a council home was higher than the private sector equivalent.
- 3.5. Since then, uplifts in the private sector fee have been higher than the increase in the internal charges and this has resulted in the maximum charge for a private sector place in the current financial year (£848/week) being £97.50 per week more than the Council equivalent (£750.50). Due to the specialist nature of our internal homes and the increased costs of operating within the public sector, the unit costs for our homes will be higher than the private sector.
- 3.6. It is proposed that from 2025/26, we eliminate the differential that has emerged by linking the maximum weekly charge for our internal homes to the fee we pay the private sector for residential care.
- 3.7. **Short Term Residential Care.** There is a need to clarify our policy around charging for temporary residential care. Previously, the definition of temporary has on occasion been considered any period up to 52 weeks.

In the future, non-residential charges will apply for up to six weeks. Should the placement continue beyond six weeks, it is proposed that standard residential rates will apply.

- 3.8. **Step Up Beds.** We have previously not charged for an initial two week assessment period in a step up bed. It is proposed that this free period be removed, and the non-residential rate apply from the date of admission.
- 3.9. **Reablement Beds.** We will clarify our charging policy for reablement care. The first six weeks of reablement are provided with no charge. Should a length of stay exceed six weeks, standard non-residential charges will apply.
- 3.10. **Domiciliary Care.** The current hourly charge for domiciliary care (£23.18) is less than the average hourly rate that we pay for private sector domiciliary care. (£25.33).
- 3.11. It is proposed that the current average cost becomes the baseline for future charges.
- 3.12. **Client Property & Finances.** The Ministry of Justice sets most charges levied within this area. The exception to this is pre-deputy support fees which reimburse the council for an element of our costs prior to the receipt of a court order. Currently this fee is charged at £5 per week. It is proposed to increase this to £10 per week to better reflect the cost of providing this service.
- 3.13. We are permitted to charge for this service under the Social Services and Well-Being (Wales) Act so long as the charge is reasonable, does not exceed the cost of providing the service and does not cause hardship. The Council does not levy this charge if it would cause financial hardship.
- 3.14. The revised charges as noted above were published for a 4-week consultation throughout February. Despite extensive promotion and publication, only 21 responses were received.
- 3.15. Consultation indicated agreement to the proposals to ensure consistency and fairness. Full details of the reach and comments from the consultation can be found with the full IIA report (**Appendix C**).
- 3.16. The final version of the revised charges to be implemented for the financial year 2025/26 for be found at **Appendix B**.

4. New Charges for 2025/2026

- 4.1. It is important to note that new charges will only impact new clients coming into our services from 1st April 2025.
- 4.2. **Community Alarms (Lifeline).** A charge is proposed for the installation of Community Alarms equipment. It is proposed that this charge will be £46.00.

- 4.3. **Deferred Payments.** A deferred payment agreement (DPA) is a legal contract that allows a homeowner to use the value of their home to pay for care in a residential or nursing care home. The agreement involves the Council paying part of the homeowner's care home fees until they sell their home. The proceeds of the sale are then used to reimburse the Council. The homeowner would still be required to pay their assessed contribution from their income during the period of the deferred payment.
- 4.4. The Council incurs significant administrative, legal, and financial costs through our administration of DPAs. These include the need for additional staff to manage these arrangements, legal costs around the securing of a charge on relevant properties, valuation costs, and the financing costs due to the timing difference between the Council paying for care and the deferred payment being received. Currently, the Council is not recovering any of these costs.
- 4.5. The Council is permitted by the Care and Support (Deferred Payment) (Wales) Regulations 2015 to charge interest on amounts deferred based on the weighted average interest rate on conventional gilts +0.15%. This figure is regularly updated by the Office for Budget Responsibility and is currently 4.3%. The rate to be applied will be the relevant rate in the preceding January or July depending on the start date of the arrangement or the review date. We are proposing to charge interest at the maximum allowable rate, which currently would be 4.45%.
- 4.6. It is also proposed to introduce the following administrative charges.

Set up costs (one-off costs) which would include:

- Land registry fees – the cost is on a sliding scale dependent on the valuation of the property and is set by the Land Registry ([HM Land Registry: Registration Services fees - GOV.UK](https://www.gov.uk/government/organisations/land-registry/about/land-registry-fee-scales))
- Legal fees of £200
- Administration fee of £265
- Valuation fee £200
- Annual administration fee of £80 to be charged on the anniversary of the DPA each year.
- Valuation or re-valuation fee of £200

In some cases, the property may be unregistered with the Land Registry. The first registration of a property may be undertaken by the Council's Legal Department on behalf of the homeowner if requested.

The charge for this service will be available on request as the cost will differ depending on the valuation of the property.

For all fees and any interest charged, the homeowner will have the choice to pay the costs immediately upon invoice, or to add the costs to the deferred amount.

- 4.7. The new charges as noted above were published for a 4-week consultation throughout February. Despite extensive promotion and publication, only 21 responses were received.
- 4.8. Consultation indicated overall agreement to the new charges. However, there was a lack of understanding in relation to the Deferred Payment proposal, indicating further work will needed to explain these charges for new clients. Full details of the reach and comments from the consultation can be found with the full IIA report (**Appendix C**).
- 4.9. The final version of the revised charges to be implemented for the financial year 2025/26 for be found at **Appendix B**.

5. Non-Social Care Charges

- 5.1. Other non-social care charges that are applied across the directorate have also been reviewed and an inflationary increase is proposed to ensure full cost recovery.
- 5.2. Consultation indicated agreement to this approach and is included in the final version of the revised charges to be implemented for the financial year 2025/26 for be found at **Appendix B**.

6. Integrated Assessment Implications

6.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

6.1.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

- 6.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.
- 6.2 A 4-week consultation was undertaken in February 2025, despite extensive promotion and publication, only 21 responses were received, which were overall positive.
- 6.3 A full IIA report has been completed and can be found at **Appendix C** with the agreed action plan which addresses identified actions as part of the assessment that will be taken forward to monitor the initiative once it is implemented.
- 6.4. The IIA considered the implications of the proposals, mitigating actions and the consultation response.
- 6.5 In responses received, more of the respondents were in agreement with the proposals. A small number of respondents are not in favour of the Deferred Payments proposal, it is considered, on balance, that it is appropriate to undertake further investigation into this recommendation before this is adopted and to work with those people affected by the proposal to support them to manage the impact.
- 6.6 Respondents also commented on issues beyond local government control, such as national policies and the overall health and social care system. Concerns were raised about the ability of vulnerable individuals to pay increased charges, especially those on welfare benefits.
- 6.7 No changes have been made to the initial proposal following the consultation, and all mitigation actions remain in place. To improve accessibility, an Easy Read guide will be produced, and the document will be available digitally for use with screen readers and text sizing tools, as well as in print.
- 6.8 Individuals needing additional support can request an updated Financial Assessment from the Council's Social Care Income and Finance (SCIF) Team. Financial Assessment Officers will assist with understanding changes, applying allowances, assessing disability-related expenses, and accessing benefits advice. They can also collaborate with social workers and welfare rights officers to maximize clients' benefits.

7. Financial Implications

- 7.1 Swansea's Charging (social services) policy applies the corporate principle of full cost recovery. However, charges can only partially recover costs of services from residents as there is a national framework of caps and thresholds set.

- 7.2 Decision to, or not to, charge for services, or to subsidise the costs of services are based on detailed cost and demand analysis, encouraging fair access. The annual review supports this process.
- 7.3 Income generation reduces the costs of services to Council taxpayers and helps to provide care and support to more people in need.
- 7.4 The revision of the policy and the review of all charges is an integral part of the budget setting process and underpins many of the savings proposals in the Medium Term Financial Plan (MTFP) for 2025-2029.
- 7.5 In 25/26 there is a specific saving proposal of £250,000 to “*Reduce the costs of in-house residential care provision by 10% over 3 years by increasing occupancy and maximising partner and client income contribution*” which increased to £750,000 saving proposal over the lifetime of the MTFP.

8. Legal Implications

- 8.1 The Social Services and Wellbeing (Wales) Act 2014 enables local authorities to decide whether or not to charge people for the care and support services that are arranged and funded by them. The charge can only relate to the cost that the local authority incurs in meeting the needs to which the charge applies.
- 8.3 The charge imposed must be no more than is ‘reasonably practicable for the person to pay’. The Care and Support (Charging) (Wales) Regulations 2015 and Part 4 and 5 Code of Practice (Charging and Financial Assessment) set out the provisions relevant to charging and financial assessment.
- 8.4 The regulations stipulate that the maximum charge for non-residential care and support is currently £100.00 per week. The capital limit for the purposes of residential care is presently £50,000 and the capital limit for the purposes of non-residential care charges is £24,000. These limits may change for the next financial year as the Welsh Government sets the level of the maximum charge and capital limit each year.
- 8.5 The Care and Support (Financial Assessment) (Wales) Regulations 2015 makes provision about the way in which a local authority must carry out a reasonable financial assessment of a person’s financial resources.

Background Papers: None

Appendices:

- Appendix A Charging Policy for Social Care, Support Services and other services provided by Swansea Council Social Services
- Appendix B Client Charges Table 25/26
- Appendix C Full IIA Report