



# APPOINTEESHIP CONSULTATION

*Proposed changes to the for Appointeeship charging regime*

*Graham Simmons – Operating Model Lead*

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# 1. CONTEXT & BACKGROUND

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## Money Management

Most councils provide or arrange for a Money Management Service for customers who are not able to manage their own finances and do not have another suitable person to support them. This is a **non-statutory discretionary service** offered by Bedford Borough in which we act as either Appointee or Deputy on behalf of a person to manage their finances on a day to day basis, safeguarding against financial abuse.

## Conditions

The service is available to people who receive social care funded by the Council, who lack the capacity to manage their financial affairs or are considered vulnerable to financial abuse. The Money Management team **maintains a bank account and monitors income** (from pensions, Department of Work and Pensions etc.) and outgoings for each customer. The team also make sure that all outgoings, like rent, are paid promptly and that the customer does not fall into arrears. They apply for benefits and arrange personal allowances on behalf of the clients

## People Using This Service

The service currently provides money management support to around 200 customers. These customers include **people with learning disabilities, mental health, physical disabilities and older people**. The service supports customers by having sole control and managing their finances, helping them to live independently in the community or whilst in residential care.

## 2. CURRENT SITUATION

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### **Money Management**

The demand for the Money Management Service is increasing at the same time as the cost for providing the service is also rising. With an **ageing population**, there is an increasing demand for adult social care and therefore naturally an **increase in demand** for money management support.

The Council offers the service of acting as 'DWP Corporate Appointee' for service users, who do not have property or complex financial affairs and lack the capacity to manage their finances (including their benefits), and have no other suitable person who can do this on their behalf. More complex cases require an application to become a Deputyship

### **Existing charging regime**

Existing charges are based on a **percentage of someone's savings**. This is applied to all clients regardless of whether they are living in the community or in residential care.

# 3. ISSUES

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## Issues

- Adults are charged using the same fee scales whether they are receiving services based in the **community** or in **residential care**.
- However, it has been demonstrated that clients based in the **community place a higher demand** on the Money Management team, with a higher number of financial transactions and support interactions than those in a residential setting.
- Service Users with over £1,000 in savings are charged an annual fee of 3% of their savings. This **disincentives savings** as those who spend regularly and make lower contributions to their savings are charged less as a result.

## 4. AIM OF PROPOSED CHANGES

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### Aims

1. Make the charging structure **clearer for clients and their carers** and more straightforward for the council to calculate charges for the service.
2. To **better represent the demand that the two client groups make on the service**, at present residential clients (who represent a lower cost to the service) are charged the same as community clients and this is considered unreasonable and against their financial interests.
3. Make this **service financially sustainable** to aid the Council in addressing significant financial pressures and to guarantee service provision in the long-term.

## 5. PROPOSED NEW CHARGING REGIME

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### **Weekly Administrative, Set up and Winding up Fee**

- A weekly administrative fee and a set up and winding up fee to clients with over £1,000 in savings. The weekly fee is based on 45 minutes per week of an officers' time for community clients costed and 30 minutes for residential clients.
- The set up and winding up fee is based on both tasks taking 3 days of a client affairs' time.

### **Benefits**

- It removes the risk for Appointeeship clients to be charged more than if they were in Deputyship arrangements
- It removes the potential for people accruing savings to pay more than those who do not, which is against their financial interests
- It better represents the demand that the two client groups make on the service.
- It makes the charging structure clearer for clients and their carers and more straightforward to calculate for the Money Management team

## 7. KEY CHANGES SUMMARISED

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Current Situation	Proposed Model
Fees charged based on a percentage of savings over £1,000	Fees based on actual work required to set up, administer and close a person's financial matters
Fees do not reflect potential differences in volume or complexity of financial transactions	Two tier system that at least reflects the difference between residential and independent living arrangements
Disincentive to accrue savings due to paying higher fees	Flat fee system which does not discourage savings
Risk of being unsustainable in the long terms	Sensible charging structure that ensures sustainability of the service
Complex fee system to administer	Simpler fee calculations
Complex fee system to understand	Simple costing schedule

## 6. NEXT STEPS

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- Take on board on any **comments**, issues, reservations about the new charging scheme
- Consider these and make any necessary **adjustments**
- Gain the consent of any proposed changes through **internal governance**.
- **Communicate** the full details of the changes to the charging scheme and timescales
- **Implement** the new scheme