

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ADULT CARE AND HEALTH SERVICES

TO:	ADULT SOCIAL CARE, CHILDREN'S SERVICES AND EDUCATION COMMITTEE		
DATE:	29 JUNE 2015	AGENDA ITEM:	16
TITLE:	CARE ACT IMPLEMENTATION UPDATE		
LEAD COUNCILLOR:	COUNCILLOR EDEN	PORTFOLIO:	ADULT SOCIAL CARE
SERVICE:	ADULT CARE	WARDS:	BOROUGHWIDE
LEAD OFFICER:	WENDY FABBRO	TEL:	0118 937 2094
JOB TITLE:	DIRECTOR OF ADULT CARE & HEALTH SERVICES	E-MAIL:	Wendy.Fabbro@reading.gov.uk

1. PURPOSE AND SUMMARY OF REPORT

- 1.1 This report summarises the new duties set out in the Care Act 2014 ("the Act"); and Reading's Adult Social Care Service response and performance against them in relation to those parts of the Act which came into effect from April 2015.
- 1.2 Where the local authority was given discretionary powers under the Act, local policies were prepared or refreshed to describe how these will be used. These local policies were developed in the light of feedback gathered through a public consultation on the local implementation of the Act, and an Equality Impact Assessment of the proposed approaches. Where these policies have been utilised since April 2015, feedback is provided in this report.
- 1.3 This report also summarises the proposed¹ Funding Reform changes to be implemented in April 2016 as part of the Act and the Council's planning so far in relation to these, i.e. provisions in relation to a cap on care costs and the offer of care accounts to people who fund their own care. A significant element of the Care Act Programme Office work for the remainder of 2015 will be preparing for the 2016 changes.

¹ Note these are based on Draft regulations. Final regulations are scheduled in the Autumn.

2. RECOMMENDED ACTION

2.1 That the Adult Social Care Children's Services and Education Committee notes:

- a) the performance of the Council thus far in relation to the changes implemented in April 2015 as a result of the Care Act;
- b) the proposed changes as a result of the funding reforms which the Care Act will introduce from April 2016; and
- c) the ongoing risks to the budget and resources required to deliver on these increased duties.

3. BACKGROUND

3.1 The Care Act updates over 60 years of law on Adult Social Care in England. The changes affect how councils support people with care and support needs - whether they get support from the Council or not - and carers. Most of the changes came into effect in April 2015. There were some changes to funding for care in 2015, but the rest of the funding reforms (such as the introduction of a cap on the amount that someone pays for their care costs) start from April 2016.

3.2 Part 1 of the Act focuses on Adult Social Care reform. The main provisions are as follows.

- Local authorities now have a broader care and support role towards their local communities, with an emphasis on preventing care and support needs from increasing.
- Councils have new duties to consider physical, mental and emotional wellbeing and to provide information to those needing care.
- Eligibility for Adult Social Care is determined on the basis of national criteria in place of locally determined thresholds.
- Unpaid/informal carers now have 'parity of esteem' with those they care for, meaning that more carers are entitled to an assessment of their own needs and local authorities are under a new duty (in place of a discretion previously) to meet carers' own eligible needs for support.
- The Care Act gives councils new obligations to shape the local care market so as to promote quality and choice.
- There will be a new limit on the total amount which people will be liable to pay towards their care costs (a care cap). Younger people who already have care needs before they turn 25 will receive free adult care and support.

3.3 The second part of the Act relates to care standards, providing the Government's legislative response to the Francis Inquiry into the failings at Mid-Staffordshire hospital. The third part of the Act establishes two new non-departmental bodies - Health Education England to oversee education and training for health care professionals, and the Health Research Authority to

'protect and promote the interests of people in health and social care research'. The fourth part of the Act contains technical matters.

4. PREVENTION AND INFORMATION AND ADVICE

- 4.1 The Care Act gives councils new responsibilities to make sure that people can access services that prevent their care or support needs from becoming more serious, and get the information they need to make good decisions about care and support.
- 4.2 The Council supports people to stay well and independent through its own services, such as the Reading Services Guide (RSG) which is an online tool that helps people to find out about care and support or other local provision. Although it is an online tool the information is available in other formats and is often used as a basis for sending tailored information by post or at a person's own request as a text message. The number of unique visits to the RSG has grown steadily over the last year. In April and May 2015 the number of visits to the RSG was 29,461 compared with 8,274 from the same period last year.
- 4.3 The Adult Social Care Information and Advice Plan 2015 sets out the Council's focus on information and advice both in preventing care or support needs from worsening and also in making choice and control over services a reality for those with support needs. This Plan continues to be developed with service users and partners, and will include a refresh of the relevant pages of the Reading Services Guide, the 'care and support' pages of the Council's website and the Council's printed leaflets this summer. The emphasis will be on targeting information more effectively, and supporting people to make the most of Personal Budgets, such as using Personal Assistants to open up their access to a wider range of services. Support to employ a Personal Assistant is available from the Council and from a local user-led organisation, ENRYCH, and increasing awareness of this support will be a focus this year.
- 4.4 There is more development work to be done to make best use of systems to understand the effectiveness of our preventative offer. We are developing a performance framework for the Act and information from the corporate system will feed into this to help us understand what is happening at the front door in terms of prevention.
- 4.5 Under the Act, councils have a new responsibility to facilitate people's access to independent financial advice when they could benefit from this in planning to meet care costs. The new duty includes supporting people to access both unregulated and regulated financial advice.
- 4.6 The Council has entered into a partnership arrangement with My Care My Home to provide this support - to people signposted to My Care My Home from the Council and to Reading residents who approach My Care My Home direct. Across April and May 2015, 12 Reading residents accessed this service, 4 of

whom went on to receive regulated financial advice. Councils of similar demographics would expect to see a steady increase after the first quarter aiming for approximately 10 referrals per month. This will be closely monitored but there is more work to be done to give us the assurance that the practice is embedded.

4.7 The Reading Borough Council Prevention Framework 2015 refreshes the previous Prevention Framework, published in 2011. This sets out the Council’s response to a new legislative framework, in which supporting a preventative approach to care and support becomes a clearer duty of the local authority in place of recommended good practice. The new Framework also highlights the importance of a neighbourhood focus in developing preventative services - to build on people’s strongest community connections, and to offer early help from familiar locations.

4.8 The Prevention Framework 2015 was developed through the Council’s Care Act implementation consultation including a series of workshops with local voluntary and community sector organisations. The Framework is underpinning the Council’s approach to re-commissioning support for wellbeing from voluntary sector providers from April 2016. This will include:

- re-commissioning a Carers Information Advice & Support service across Berkshire West (jointly with neighbouring local authorities and the Berkshire West Clinical Commissioning Groups);
- commissioning support for people with mental health needs through a ‘recovery college’ approach (jointly with the Reading Clinical Commissioning Groups and the local further education college); and
- inviting bids for grant funding to support wellbeing through a new framework designed to encourage collaboration and the development of new approaches

4.9 The ‘Promoting and Supporting Wellbeing’ Bidding Framework invites proposals for use of Adult Social Care and Public Health grants under the following themes.

Theme	Service type
Help to navigate care and support services	Targeted information and advice for people with current or emerging care and support needs
Self advocacy and peer support	Self advocacy services for adults with a learning disability
	Services to facilitate peer support and training for families affected by long term health conditions
Supporting carers to take breaks and enjoy a life outside caring	Replacement care (respite) services delivered at home or in the community, which provide opportunities for unpaid carers to

	take time away from caring or enjoy social contact
Reducing the impact of illness	Supporting people to re-settle at home following a period of hospitalisation
Connecting people and communities to reduce loneliness	Opportunities for vulnerable adults to enjoy social contact

- 4.10 There is more work to be done to give us the assurance that the wellbeing principles in the Act are being fully addressed. One way to do this would be by creating a wellbeing strategy or similar in conjunction with key partners including public health. Work will progress on this in the Summer.
- 4.11 The Care Act gives councils the power to charge for preventative services (beyond a prescribed list of services which must always be provided free of charge - including social care assessments and up to 6 weeks of re-ablement support for those identified as likely to benefit). However, the Council's Plan for Adult Social Care², commits the Council to managing demand through services that promote wellbeing and slow or prevent the demand for statutory services. Applying a charge for preventative services could deter take-up, in which case it could easily transpire to be a false economy. Accordingly, the Council's Prevention Framework (2015) includes provisions that:
- o Adult Social Care's preventative services are provided free of charge to those identified as likely to benefit; and
 - o Adult Social Care's directly provided carer services are provided free of charge to eligible carers.

ADULT SOCIAL CARE ASSESSMENTS AND ELIGIBILITY - FOR PEOPLE WITH SUPPORT NEEDS AND CARERS

- 5.1 From April 2015, eligibility for Adult Social Care has been determined against a national standard. The new national eligibility threshold had been described as "broadly similar" to the "substantial" threshold which was applied in Reading pre April 2015. However, a desktop review of cases indicated that more people would be eligible for Adult Social Care than were previously once new threshold was applied. This exercise also showed that people with lower levels of need could have those needs met through professional support or signposting to other sources of information and advice, though.
- 5.2 From April 2015 new assessment tools have been used to determine & record eligibility and the impact on a person's wellbeing based on the new national criteria. People making contact with Adult Social Care for the first time are offered a self assessment option or the opportunity to be put through to an advisor to discuss their situation straight away. If people are shown to be ineligible for Adult Social Care support at this stage they are provided with information and advice about services available in the community that could support them, including information on accessing the Reading Services Guide

² Approved by Policy Committee in September 2014

so they are equipped to make their own future enquiries. Equally, if someone is eligible for support, preventative services are still considered as part of the whole package of care.

- 5.3 The numbers of completed assessments since 1st April 2015, and of those the number of eligible services users, is presented below. This incorporates last year's activity as a comparison. It is very early in the financial year to be identifying any trends/impacts and the numbers of assessments has decreased in the first two months compared with last year. However the spike in numbers of those eligible for services in May 2015 (85%) compared to previous months could be an indication of the impact of the new eligibility criteria. This could also indicate that further training is required in our teams to embed the elements of the Act. Ongoing monitoring of this this will enable us to understand further.

Eligibility		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Number of clients with completed assessments	2014/15	163	171	164	153	182	176	170	106	122	152	130	151	1840
	2015/16	117	144											261
Number of people assessed as eligible for services	2014/15	110	118	105	115	124	128	109	73	75	106	91	124	1278
	2015/16	73	123											196
Percentage of people assessed who are eligible for services	2014/15	67%	69%	64%	75%	68%	73%	64%	69%	61%	70%	70%	82%	
	2015/16	62%	85%											

- 5.4 As it so important that people can be engaged fully in their social care assessment - and later their support planning and then review - the Care Act introduced new rights to independent advocacy in certain circumstances. The local authority must arrange to provide this independent advocacy where someone would experience 'substantial difficulty' in being involved in an assessment, review or support planning and there is no one appropriate who is available to support them. 'Substantial difficulty' can relate to understanding relevant information, retaining information, using or weighing the information, or communicating views and wishes. Since 1st April 2015, 7 people have accessed this service, 5 of whom have been younger adults with a learning disability and 2 of whom were older people. Modelling based on the Government's Care Bill Impact Assessment indicates Reading could need to commission 4,346 hours of independent advocacy to support assessments and reviews (including support planning) this year at an annual cost of £130,369. Although demand to date seems to fall below this, it is common that a new service takes time to embed before all of those eligible take up the service. However we need to closely monitor this to ensure the low numbers do not indicate that this has not been embedded into care management practice.

- 5.5 Under the Care Act, any adult carer of another adult is be entitled to a carer's assessment on the appearance of need (and young carers, and carers of children with additional needs, acquire parallel rights but these are predominantly set out under the Children and Families Act 2014 rather than the Care Act). The Council anticipates a significant increase in the volume of carers' assessments following the national rule changes as awareness of the new rights should bring more carers into contact with the local authority. In

addition, the Care Act requires local authorities to be more proactive in identifying carers and offering carers' assessments. This is being taken forward operationally and through wider public and partnership work, including publicity and events to mark Carers Week from 8th to 14th June. Again, though, it often takes time for awareness of new rights to embed and the relatively low numbers of carer assessments in 2015 to date is not necessarily indicative of future trends.

5.6 The Act set out national eligibility standards for carers for the first time and gives carers the right to services in their own right if they meet the national criteria. Prior to April 2015, Reading already offered direct support to carers in the form of a Direct Payment scheme based on 'banding' the impact of caring. Consultation feedback confirmed that this approach is popular with carers, and it has therefore been retained as one of the ways in which eligible carers can have their support needs met now. The Council continues to offer a range of services to promote carer wellbeing, keeping processes proportionate from very light touch through to more detailed support planning for carers with more complex needs. It is anticipated that meeting the new duties will increase the number of carers in touch with the local authority in due course and additional resource has therefore been secured to meet this demand.

5.7 The numbers of completed carers assessments, and of those the number of eligible carers, is presented below. This incorporates last year's activity as a comparison. We did note a reduction in the number of carers assessments processed in April this year compared to last. Officers noted a spike in applications in March prior to the end of the financial year and consider this to be a factor in the lower numbers in April. Although it is very early to identify any trends to date we have not seen a significant increase in the volume of carers assessments which was expected. However, because of the potential financial impact this is being closely monitored.

Carers														
Number of carers assessed	2014/15	59	50	39	60	39	44	43	26	33	27	30	59	509
	2015/16	31	56											87
Number of carers eligible for services	2014/15	51	42	34	51	33	40	39	21	28	22	29	49	439
	2015/16	25	51											76
Percentage of carers eligible for services	2014/15	86.44%	84.00%	87.18%	85.00%	84.62%	90.91%	90.70%	80.77%	84.85%	81.48%	96.67%	83.05%	86.25%
	2015/16	80.65%	91.07%											

5.8 To provide assurance regular case audits will be undertaken to ensure all new duties in the Act are embedded into practice. Initially these will be bi monthly but may move to quarterly subject to the outcome of the audits. This will enable officers to understand any gaps and offer tailored support across the service areas. The first audit commenced at the beginning of June and will be presented to managers in early July.

5.9 Resources have been re-aligned across the Adult Social Care System to manage the anticipated additional demands of the Care Act as a result of the change in eligibility criteria for adults and their carers, the additional information and advice requirements and the administration of services resulting from the new

rights for Carers. These resources are being moved across the system to manage the additional demands and temporary posts being kept under review.

6. MARKET SHAPING & DUTY OF CANDOUR

- 6.1 The Care Act gives councils new obligations to shape the local care market so as to promote quality and choice. Reading's first Market Position Statement (MPS) for Adult Social Care has been developed with providers and users of services as a key part of meeting the Council's new market shaping obligations. The MPS has now been published and sets out what services the Council will be seeking to develop over the next few years and how, based on how local demand and preferences are changing. This is very much a live document and will be updated alongside providers based on trends in the market. The MPS is being used with providers to continue to shape a sustainable local care and support market place.
- 6.2 The Care Act requires councils to create a provider failure strategy to address the issues that arise when a key provider in their area is failing due to financial or quality issues. The strategy locally is still in development and needs to include business continuity plans for key providers. This duty could also be met as a Berkshire West initiative and these discussions are taking place.
- 6.3 Regulations made in October 2014 placed NHS bodies under a Duty of Candour to patients. This duty has now been extended to all providers registered with the Care Quality Commission (e.g. residential homes and home care providers), including those in adult social care. The duty of candour is to "act in an open and transparent way with relevant persons in relation to care and treatment provided to service users in carrying on a regulated activity." If a "notifiable safety incident" occurs, relevant persons must be given full detail (in person, and followed up in writing), an apology and support.
- 6.4 In the adult social care context, a 'notifiable safety incident' is a serious incident resulting in death, impairment, prolonged pain or prolonged psychological harm. The duty does not specifically extend to notifying service users who have not been directly affected, but CQC Guidance requires providers to "promote a culture that encourages candour, openness and honesty at all levels. This should be an integral part of a culture of safety that supports organisational and personal learning." Providers are required to have systems in place for handling notifiable safety incidents.
- 6.5 As the council is a provider the duty equally applies and work is underway with managers to ensure this duty is embedded into local policies and practice. This is still at an early stage and will need to be monitored by Service Managers. With regard to external providers we have been raising awareness of this Duty at contract & quality monitoring meetings and quarterly Care & Support conferences. Reading has a clear commitment to the Duty of Candour and will support providers to meet their duty and actively test it is being adhered to in monitoring meetings. By the end of this quarter Reading will have written to

all providers about the requirements and our expectations in relation to them as well as updating our Quality Monitoring Policy to reflect the duty. Furthermore the September Care & Support Conference will have a dedicated focus on the Duty of Candour with a session led by the Care Quality Commission.

7. CHARGING FRAMEWORK FOR SOCIAL CARE

General

7.1 The Care Act repealed the previous legislation which gave local authorities the power to charge for services, but allowed the Council to continue to operate a charging system based on the Act alongside the Care and Support (Charging and Assessment of Resources) Regulations 2014. As noted in the paper presented to the Committee in March 2015 a Reading Borough Council Care and Support Charging and Financial Assessment Framework (2015) (“the local Charging Framework”) has been developed accordingly, drawing on stakeholder engagement and feedback, and incorporating:

- Deferred Payment Agreements Policy
- Interim Funding Policy
- Choice of Accommodation and Additional Payments Policy
- Charging and financial assessment policies for care and support (in care homes and non-residential care)
- Charging schedules relating to the above

7.2 The local Charging Framework replaced previous local policies. The new framework has been embedded into practice and is actively used to administer charging processes.

Choice of accommodation

7.3 The Care Act requires councils to set out people’s rights to choose more expensive accommodation than may be necessary to meet their assessed needs. These rights generally apply if there is someone else - other than the person needing the accommodation - who is willing to pay the difference between the assessed necessary cost and the actual care home fee. This difference is known as a ‘third party top up’.

7.4 The Council already allowed third party top up arrangements for people choosing a more expensive care home prior to April 2015 provided the third party had been assessed as able to meet the ongoing costs. The Care Act requires councils to extend their local choice of accommodation policies to other sorts of supported accommodation, such as Extra Care Housing or Shared Lives schemes. The Council’s Choice of Accommodation Policy has been updated to reflect this.

7.5 The Council continues to manage the administration of the third party top ups and details are recorded on our systems. This enables us to gain knowledge of provider rates and proactively manage situations where the third party top up can no longer be paid. There is more work to be done to give us the assurance

that the system is robust and people fully understand their options with regard to third party top ups.

Deferred payments

- 7.6 There are situations where someone needs to sell their home to pay for their residential care costs. (This usually doesn't affect family homes which are still occupied after one person moves into residential care by a spouse or a relative who is aged over 60 or is disabled.) This means some people are able to put off the sale of their home in their lifetime by having an agreement that the Council pays towards their care home fees then reclaims the amount spent after the service user dies and their former home is sold then.
- 7.7 Under the Care Act, councils must offer a Deferred Payment Scheme and to a broader range of people than would have been eligible under the previous local scheme. Because of the additional costs which councils will incur in operating the new Deferred Payment scheme, local authorities have the power under the Act to make a charge which covers these costs. The fees charged from April 2015 are £783³ per agreement for set up costs with ongoing fees of £100 per year. These rates will be reviewed annually.
- 7.8 The Council didn't anticipate a large increase in the number of Deferred Payment applications from April 2015 because Reading already provided this service ahead of the Care Act mandate and had very few clients utilising deferred payments. Since April 2015 a deferred payment agreement has been agreed for one person. There is some more work to be done to test the extent that people are aware of deferred payments and whether it is an option for them.

People who fund the full cost of their care and support

- 7.9 People who have income or savings above the financial eligibility thresholds are responsible for meeting the full costs of their social care, apart from the free services that Local Authorities must provide e.g. assessment etc. People who self-fund their care can still approach the Council for information and advice about services, however, and there is no charge for this.
- 7.10 Under the Act, if someone has assessed needs which can best be met in their own home (rather than in residential care) then even though they may not be eligible for public funding towards those care costs, they can still ask their local authority to arrange their care. The Council has the power to charge for these services.
- 7.11 From April 2015 a charge has been implemented; a set up fee of £182 and ongoing fees £65 per year. No self funders have made use of this service so far. However, it is too early to say whether this service will be utilised more fully going forward and therefore what the resource implications will be. This

³ This includes all legal costs, land registry fee plus other Council administration costs

will be monitored closely and some work is scheduled to help us to understand why self funders haven't accessed the service to date.

8. CARE ACT CHANGES FROM APRIL 2016

General

8.1 In the current system if someone's capital assets (such as savings and investments) are more than £23,250, they will pay the full cost of their ongoing care and support. There is no limit on how much someone may spend over their lifetime - but this could be a large amount of money for some people. From April 2016 in line with the Funding Reform changes in the Care Act this will change⁴. The Care Act introduces the cap on care costs which is a limit to how much people have to pay towards their care and support needs over their lifetime. The Government will set the cap at £72,000 for older people and is considering options for a different approach for working-age adults with care and support needs. In addition there are proposed changes to financial support as the Act increases the amount of capital assets a person can have (such as savings and investments) and still receive financial help with care and support costs so more people will be eligible for financial help.

8.2 A full analysis of the funding reform requirements set out in the draft regulations is included as Appendix 1. This highlights the complexity of messages and administrative and financial burdens being proposed for implementation in April 2016.

Planning for April 2016

8.3 Officers have commenced work to scope the Council's options for implementing the funding reform changes taking into consideration the resource implications. Locally we are seeking to maximise the use of technology to administer these changes including the use of a citizen portal to allow our customers to engage with Adult Social Care through this channel. Work is progressing with our existing IT supplier to ensure developments are undertaken to provide a solution that is fit for purpose.

8.4 Finance Officers are fully engaged in this process and have been undertaking modelling work using national tools provided in 2014 to help us understand the impact locally. It had been proposed that further national models would be prepared and disseminated to local councils to aid more detailed modelling for 2015 and beyond. These have not materialised and therefore officers are required to develop local models which may prove to be less reliable.

8.5 Based on the initial modelling we are expecting a little over 500 self funders to present themselves in 2015-16. These self funders will all need to be assessed to understand their eligibility, allocated an Independent Personal Budget and have Care Accounts set up. This represents a significant increase in activity given that the Adult Social Care service fully assessed 1,840 people

⁴ The details provided are based on DRAFT regulations. Final regulations are due to be published in the Autumn

within our existing resources in 2014-15. The increase represents an additional 30% increase in assessments.

- 8.6 Preparation work will continue based on the published deadlines however the Council in line with a number of organisations responded to the recent consultation on the draft regulations that the timescales for implementation were extremely tight and the potential risks were huge.

9. CONTRIBUTION TO STRATEGIC AIMS

- 9.1 The proposals outlined in this report are consistent with the Council's 3-5 Year Plan for Adult Social Care approved by Policy Committee in September 2014. Adopting the policies which are proposed to govern Care Act implementation in Reading will also contribute to meeting the following priorities set out in the Council's Corporate Plan 2015-18:

- Ensuring that all vulnerable residents are protected and cared for;
- Enabling people to live independently, and also providing support when needed to families;
- Ensuring care and support provision is effective and of good quality;
- Building capable communities for local people to become more involved and help themselves
- Changing the Council's service offer to ensure core services are delivered within a reduced budget so that the council is financially sustainable and can continue to deliver services across the town; and
- Co-locating services with partners to have better joined up services and community hubs so that residents have better access to services.

10. COMMUNITY INVOLVEMENT

- 10.1 A public engagement exercise was started in 2014-15 to raise awareness of the changes introduced by the Care Act, to address queries and concerns about how the changes would be applied for April 2015, and to seek community feedback to inform how Reading Borough Council should apply the various discretionary powers conferred on local authorities by the Act.
- 10.2 It is likely that the further public engagement will be required whilst considering the introduction of the funding reform changes for April 2016. This will need to be scheduled later in the year, closer to the date when the final regulations will be published.

11. LEGAL IMPLICATIONS

- 11.1 The Care Act received Royal Assent in 2014. It brings in new statutory duties for local authorities with social care responsibilities, and also confers a series of powers on local authorities in relation to the provision of Adult Social Care.

The previous legal framework governing Adult Social Care is repealed by the Care Act.

- 11.2 The provisions of the Care Act which come into effect from April 2015 are regulated by Statutory Guidance published in October 2014. The local policies and frameworks prepared for Reading are aligned with that guidance. Further Statutory Guidance has been published in draft for provisions which take effect from April 2016, the Council will develop further local policies as necessary to meet these additional requirements.

12. EQUALITY IMPACTS

- 12.1 Members are under a legal duty to comply with the public sector equality duties set out in the Equality Act 2010. In order to comply with these duties, Members must seek to prevent discrimination, and protect and promote the interests of 'protected' groups.
- 12.2 An equality analysis was prepared for the April 2015 changes and a further analysis will be prepared and presented in relation to the April 2016 changes, so that Members can give conscious and open minded consideration to the impact of the equality duty before taking further decisions.

13. FINANCIAL IMPLICATIONS

- 13.1 This report describes how the Care Act has required the Council to make substantial changes for the 2015/16 financial year and the implications post April 2016. From the 1st April 2015 this specifically related to the delivery of Carers Assessments and support; changing to a national eligibility framework, and changes to the charging framework. These matters have been implemented and the impacts of these are reviewed in the later section of the finance section. The next major change is the early assessment of those who self-fund their care and support needs, in advance of the 1st April 2016 changes. The implications for this are addressed specifically in Section 13.5 - risks

13.2 Revenue implications

- 13.2.1 The Council had reviewed the potential impact of all these changes and whilst modelling has been undertaken it is difficult to know the true impact of the changes. The Government accepted that Care Act implementation is a 'new burden' for local authorities, it has provided two sources of funding (both of which are non-recurrent, i.e. for 2015-16 only):
- Care Act Implementation Grants (from DCLG). This is set out in the table below:

Early assessments revenue grant 2015-16	Deferred payment agreement revenue grant 2015-16	Carers and Care Act Implementation revenue grant 2015-16	Total
£325,912	£193,700	£131,697	£651,309

- Funding as part of the Better Care Fund. This will provide a further £361,000.

13.2.2 Of the funding identified above:

- Early assessments revenue grant 2015-16 - Modelling is currently being developed to determine the impact of the early assessments and whether this will be sufficient to cover these costs. The assessment of the financial impact of the next changes will be reported at a future meeting. If we were to use a simple calculation that suggests an average assessment costs in the region of £500 and multiply that against the increased number of self funder assessments we are looking at a financial burden of £250,000.
- Carers and Care Act Implementation revenue grant 2015-16, the deferred payment agreement revenue grant 2015-16 and the Better Care Funding - are being used in 2015/16 on the implementation of the Act including new deferred payments and the funding of carer support packages. At this stage (based on current activity forecasts) it is assumed that there is sufficient funding to cover current and expected costs, however this is at an early point in the year and activity could potentially increase based on previous assumed activity levels.

13.3 Capital Implications

The Care Act itself does not come with capital funding. However, in order to deal with the substantial changes the Act requires, the Council is in the process of upgrading its main Electronic Social Care record system (this includes adding a citizen portal). There is an approved capital scheme for this and this is being funded from the Social Care Capital grant.

13.4 Value for Money

The Council is currently reviewing its business processes in line with the implementation of an upgraded social care system (MOSAIC) and is focussing on the Care Act changes and as part of this value for money will be considered.

13.5 Risk

The Care Act is a significant change to the way that the Council is required to meet its statutory obligations for individuals requiring support from Adult services. The key risks that are highlighted from this report are:

- Modelling was undertaken (using national modelling assumptions) and this suggested an increased demand especially for cares services and this was higher than the number of residents who currently seek support from the Council. The Council has received the grants as identified in section 13.1 that will be used to support the changes, but this funding may not be sufficient (and is currently non-recurrent). The Council has set up monitoring arrangements but it is currently too early in the financial year to determine any financial variances. Any significant variances will be reported back to Councillors through the normal budget monitoring process.
- The more significant risk is the Council's ability to be ready to implement the changes from the 1st April 2016. The Council is currently trying to establish methods to financially model the impact of these changes. As stated previously the Council and many other organisations have stressed in the consultation response to the Government (on the next stage of the implementation of the Care Act) that the current timescales were unworkable and there are substantial risks to having all the processes working from the 1st April 2016. Whilst the council is working and planning to implement the changes for 2016/17, we currently are unable to state with any degree of assurance around the costs of this change or how this would be funded. The Council is currently awaiting the statutory guidance and indications around funding which is not due until later this year.

SUPPORTING PAPERS

Appendix 1: Analysis of the Funding Reform requirements from Draft Regulations

Full analysis of the Funding Reform requirements as set out in the draft regulations

The Care Cap & Care Accounts

- 1.1 The cap on care costs will set a financial limit on how much a person pays towards their eligible care and support needs over their lifetime.
- The Government will set the cap at £72,000 for older people
 - The Government is considering options for a different approach for working-age adults with care and support needs
- 1.2 Not all costs count towards the cap; it will only be the amount of money needed to meet someone's eligible care and support needs, as worked out in their assessment.
- If the Council makes care and support arrangements for someone, this amount of money will be shown in their Personal Budget
 - If someone makes their own private care and support arrangements, this amount of money will be shown in their Independent Personal Budget

The costs that won't count towards someone's cap are:

- If someone chooses to receive additional or more expensive care and support than their Personal Budget or Independent Personal Budget says that they need e.g. someone who chooses a care home that costs £100 per week more than the amount of their Personal Budget will pay the additional amount as a top-up fee.
 - This £100 per week difference wouldn't count towards their cap, as this is extra to the amount that the Council has assessed that the person requires to meet their eligible care and support needs.
 - If someone lives in a care home, a national rate of 'daily living costs' (proposed to be £230 per week) won't count towards the cap.
 - Costs will only be counted from the date that the government introduces the Care Cap (proposed to be 1st April 2016) or, after this, the date that someone contacts us to set up their Care Account.
 - Payments from the health services towards care and support (such as NHS Free Nursing Care and NHS Continuing Healthcare) don't count towards the cap.
- 1.3 If someone's care and support assessment has identified ongoing eligible care and support needs, we will set up a Care Account to track their individual progress towards the cap on care costs. Councils have to send a Care Account statement every year so that people can see their progress towards the cap. If we estimate that someone will reach the cap in the following 18 months, we will tell them this estimated date on their Care Account statement.
- 1.4 When someone reaches the cap and they live at home:
- they will receive free care and support to meet their *eligible* care and support needs at home from that point.

- they will still pay for any additional care and support (over and above what their Personal Budget shows is necessary to meet their eligible needs) that they choose to receive.
- if they move into a care home at a later date, they would need to pay towards the daily living costs.

If someone lives in a care home when they reach the cap:

- they will receive free care and support to meet their *eligible* care and support needs - but they will continue to pay an amount towards their daily living costs (proposed to be £230 per week). Depending on their financial assessment, they might pay a lower amount.
- they will still pay for the additional cost if they have chosen more expensive accommodation, through a top-up payment.

1.5 The government is considering some different options for working age adults about the cap on care costs. For example:

- whether to set the cap at lower levels depending on the age at which someone first has eligible care and support needs. One option proposed is to set the cap at zero for people who have an eligible care and support need identified before the age of 25.
- whether to increase the allowances used in social care financial assessments for working age adults to match to the allowances for older people. This would mean that working age adults' financial contributions would be lower than they are under the current system. The Government is considering whether an increase in the allowances would need to be phased in, starting in April 2016.

1.6 If the Council already arranges care and support for a person we will set up a Care Account from 1st April 2016 and send annual statements to each person. If a person arranges and pays for their own care and support privately they will need to ask the Council for a care and support assessment BEFORE 1st April 2016 for us to start tracking the costs from that date. The guidance suggests that Councils should proactively target those that pay for their care privately from October 2015 to enable 50% of these people to have their care account set up in time for the 1st April 2016.

Changes to financial support and capital limits

1.7 Capital¹ Limits for care and support set out how much someone may have to pay from their assets towards their care and support:

- The Upper Capital Limit is the maximum level of capital assets that a person could have AND still receive some financial support from the Council towards their eligible care and support costs. However the financial support will also depend on how much income they receive such as from benefits and pensions (but not earned income, as this isn't counted in a financial assessment).
- The Lower Capital Limit is how much of a person's capital assets are disregarded in a financial assessment. Someone could have up to this level without needing to pay from their capital towards their eligible care and support costs (but they may still need to contribute from their income, depending on their financial assessment).

The Government is proposing to increase the capital limits so that more people with eligible care and support needs will receive financial support from councils towards their care costs. This will have a resource implication.

1.8 It is proposed that from 1st April 2016 the capital limits are increased:

- The Lower Capital Limit from £14,250 to £17,000.
- The Upper Capital Limit from £23,250 to £27,000 if someone's eligible care and support needs can be met in a setting that is not a care home (e.g. at home, in supported accommodation, or in a Shared Lives scheme).
- The Upper Capital Limit from £23,250 to £118,000 if someone's care and support needs can only be met in a registered care home - unless they own their own property which the Council has disregarded in a financial assessment, in which case the Upper Capital Limit will remain at £27,000 while their property capital is disregarded.

The flowchart below taken from the draft regulations shows the government's proposed changes:

¹ 'Capital' is a word to describe someone's financial assets – including cash, money held in bank and building society accounts, investments, stocks, shares, property, bonds, and national savings certificates.

