

READING BOROUGH COUNCIL

REPORT BY Executive Director of Social Care and Health

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| TO: | Adult Children and Education Committee | | |
| DATE: | 19 th January 2022 | | |
| TITLE: | Adult Social Care Reform | | |
| LEAD COUNCILLOR: | Cllr John Ennis | PORTFOLIO: | Adult Social Care |
| SERVICE: | Adult Care and Health Services | WARDS: | |
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report outlines the new planned reforms for Adult Social Care in England, initially set out by the Government White Paper in December 2021, *People at the Heart of Care: adult social care reform*.
- 1.2 This paper also details the approach which will be taken by Reading Borough Council to respond and plan for the proposed changes.
- 1.3 The White Paper forms part of a suite of reforms concerning health and social care, outlined in 2021.
- 1.4 It is expected that an additional paper on health and social care integration will follow this White Paper. However, at this stage there is no indication of when this will be issued.

2. RECOMMENDED ACTION

- 2.1 *For Members to note the details outlined in the White Paper - People at the Heart of Care: adult social care reform.*

3. POLICY CONTEXT

- 3.1 Adult social care is the support provided to adults with care and support needs and their carers as set out in the Care Act 2014, and includes:
 - Support in people's homes (home care or domiciliary care)
 - Support in community settings
 - Care provided by regulated providers in care homes and nursing homes
 - Reablement services to help people gain or maintain their independence
 - Providing aids, adaptations and technology enabled care in people's homes
 - Providing information and advice
 - Providing support for informal carers.

- 3.2 The Care Act 2014 provides the legislative framework for adult social care, together with the associated statutory guidance. Person centred care and a focus on wellbeing and independence has previously been key themes, which are also consistent with the new framework, set out in the White Paper.
- 3.3 There are many examples of services in Reading which have delivered against the Care Act 2014 principles including our Extra Care provision, our technology enabled care offer, and our occupational therapy teams supporting and maximising independence.
- 3.4 The White Paper builds on the vision of the Care Act 2014 by setting out a 10-year vision for support and care in England and revolves around 3 objectives:
- People have choice, control and support to live independent lives.
 - People can access outstanding quality and tailored care and support.
 - People find adult social care fair and accessible.
- 3.5 Social care is means tested and is funded privately or where publicly funded this is through central government finance settlements, local government revenue and in recent years the government has also provided additional ring-fenced funding for adult social care.
- 3.6 Adult social care funding has been under pressure for some time with a sizable estimated social care ‘funding gap’ between the resources available and demand and cost pressures for the additional funding required by 2024-25.

4. BACKGROUND

- 4.1 Reforming adult social care, including how people pay for care, has been an issue for successive governments and several reform proposals have been made. In July 2011, the Commission on the Funding of Care and Support, chaired by Sir Andrew Dilnot, published its report ‘*Fairer Care Funding*’. This is particularly relevant to the current proposals and made several recommendations for reform, including:
- A lifetime cap on the contribution that people aged over 65 would be expected to make towards their personal care costs, after which they would be eligible for full support from the state.
 - Increasing the upper capital limit.
 - A standard rate for services other than personal care provided in a care home.
- 4.2 Whilst the Coalition Government accepted the Dilnot Commission’s proposals in principle, implementation was delayed and then effectively indefinitely postponed. In 2017, the then government said it would set out its proposals for adult social care funding in a green paper.
- 4.3 The Conservative Party’s 2019 manifesto confirmed the intention to seek a cross-party consensus for proposals to reform how people pay for adult social care. Due to the Covid-19 pandemic there was a delay in publication, but at the Spending Review 2020 the Government confirmed their intention to introduce sustainable improvement of the adult social care system, with this position reiterated at the Queen’s Speech in May 2021.

The Proposed Reforms (published in 2021)

Build Back Better: Our Plan for Health & Social Care (September 2021) confirmed the intention to introduce wide ranging new legislation for health and social care, with the ambition of a more integrated health and social care sector.

The White Paper which followed *People at the Heart of Care: adult social care reform* (December 2021) sets out a 10-year vision which will be achieved through co-production

with a range of stakeholders and partners to shape and deliver new and improved services across a range of areas:

- Integration of housing into local health and care strategies
- Adoption of technology and digital tools to achieve widespread digitalisation across social care
- Investment in the social care workforce to ensure staff have the right training and qualifications, feel valued and recognised for their skills and commitment and have their wellbeing prioritised.
- New practical support services to make minor repairs and changes in people's homes to help people remain independent and safe in their homes, alongside increasing the upper limit of the Disabled Facilities Grant for home adaptations such as stair lifts, wet rooms and home technologies.
- A change in services for unpaid carers.
- Support to local areas to help them innovate and provide new and different ways to help people understand and access support available.
- Additional funding to increase the support offer across adult social care to improve the delivery of care and support services, including assisting local authorities to better plan and develop the support and care options available.

- 4.4 As part of the suite of changes the Government has also announced plans to substantially increase funding for health and social care over the next three years (2022-2025), to be funded by a new tax, the Health and Social Care Levy. The Health and Social Care Levy Act 2022, which provides for the introduction of the new levy, received Royal Assent in October 2021. The funds from the Health and Social Care Levy will be ringfenced for investment in health and social care.

The levy will be based on National Insurance contributions (NICs). From 2023, the levy will also apply to individuals working above State Pension age, who are currently liable to pay NICs on their earnings. The government also plans to increase the rates of income tax that apply to income from dividends.

£5.4 billion of revenue from the levy will be used to support adult social care in England over the next three years (2022-2025) as follows:

- £3.6 will be used to introduce a cap on care costs and reform the social care means test. The funding will also be used to help local authorities better sustain their local care markets by moving towards a fairer cost of care
- £1.7 billion will be used to support wider system reform.

- 4.5 These new reforms will complement the existing provision allowing people in need of residential care to defer payment of their care home fees to avoid selling their property. This system has been in place since 2015 and there is now a plan to undertake work to review the existing scheme in order to provide more flexibility for people to defer their care payments. A deferred payment agreement is essentially a loan given by the local authority, which is usually secured against the value of a person's property. The intention is to allow a person to delay paying their care costs to avoid having to sell their property in their lifetime to pay for residential care.

- 4.6 In addition, the reforms intend to tackle the inequity faced by some people who fund their own care. The intention is to implement a provision under the Care Act 2014 (Section 18.3) which will ensure that people who fund their own care are able to ask their local authority to arrange their care for them to ensure best value. Currently people who pay for their own care can pay significantly greater sums for care than those funded by Councils and the NHS (under Continuing Healthcare). This is designed to enable Councils to take account of their commissioning ability to secure lower rates for self-funders; as a result, the costs paid by self-funders and the state should align.

- 4.7 The information available so far has outlined that along with the care cap, anyone with less than £20,000 of assets will not pay anything towards their care from their assets.

People with between £20,000 and £100,000 of assets will be eligible for some means-tested financial support on a sliding scale.

Further details and guidance will be published nationally in the form of statutory guidance which will be consulted on and via the Local Government Association (LGA) and the Association of Directors of Adult Social Services (ADASS).

5. ROLE OF THE LOCAL AUTHORITY

- 5.1 If someone needs care local authorities will continue to assess:
- a) their care needs and which of those needs are eligible to be met by the Local Authority **and**
 - b) whether they should receive financial support to help with care costs, via a means test assessment.

Like the current system, the means test will be based on total assets, including both the value of a person's home and their savings. However, if a person needs to continue to live in their own home, it will be excluded from the assessment of total chargeable assets. This is known as the housing disregard and is unchanged from the current rules.

The new means test for adult social care will come into effect in October 2023 based on a person's income and savings.

- 5.2 The reforms will apply to all adults in receipt of adult social care in England, no matter their age. When these reforms are implemented, around 150,000 people will be directly benefiting at any one point in time.
- 5.3 As outlined, details of the proposals for NHS and Social Care integration are to follow. It is also important to recognise that the role of the Health and Social Care Regulator, the Care Quality Commission (CQC) will also be subject to change with the introduction of an Assurance Framework for local authority adult social care provision.

6. APPROACH TO BE TAKEN IN READING BOROUGH COUNCIL

- 6.1 The approach to be taken by Reading Borough Council to prepare for the reforms:

The response to the reforms will be led by the Deputy Director, Commissioning and Transformation and the Assistant Director Safeguarding, Quality, Performance and Practice.

- 6.2 Detailed analysis will be required across a range of activity and there will be full engagement with LGA and ADASS, regionally and nationally and to keep abreast of the publication of statutory guidance and consultation deadlines.

- 6.3 Building on our current operating frameworks areas of focus will include:

Financial Planning - there is no details currently about the profile of the £5.4 billion over the three-year period but extensive financial planning will be needed to determine the likely local impact of the new arrangements.

Cost of Care - each local authority will be required to undertake a Cost of Care exercise. Piloting is in the early stages nationally and the outputs from the pilot sites will be considered.

Policy framework - it will be necessary for Reading Borough Council to undertake a full review of the policy framework related to the assessment of need, funding and charging arrangements.

Strategies - there will need to be a refresh of existing commissioning strategies and our approach to technology enabled care.

Partnership working - a key change will be our partnership arrangements to broaden the focus on the community and voluntary sector.

Communication and engagement - information and publicity will need to be produced for the public, existing and future service users, partners and stakeholders.

Training and development - a programme of facilitated workforce training and development sessions and possibly some amendments to roles and responsibilities of some postholders.

IT and systems changes - plans will need to be made to amend existing systems including IT changes.

7. CONTRIBUTION TO STRATEGIC AIMS

7.1 The planned reforms will be implemented in line with the vision of Reading Borough Council's to help Reading realise its potential - and to ensure that everyone who lives and works here can share the benefits of its success.

8. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

8.1 There are no anticipated environmental or climate implications.

9. COMMUNITY ENGAGEMENT AND INFORMATION

9.1 A communication and engagement strategy will be required, which will be developed alongside any key changes in service provision.

10. EQUALITY IMPACT ASSESSMENT

10.1 An Equality Impact Assessment will be required.

11. LEGAL IMPLICATIONS

11.1 Legal implications will need to be assessed in full as further details become available.

12. FINANCIAL IMPLICATIONS

12.1 Much of the detail has still to be worked through to fully understand the financial implications, although the major financial implications to local authorities will be around the care cap and the impact on the care market.

12.2 The proposals include a care cap on eligible personal care costs of £86k in a lifetime which is expected to be introduced from October 2023. Those paying for their care at 1st October 2023 will not be able to count any care costs incurred prior to this date as counting towards the care cap sum. Daily living allowances of £200 per week have been assumed nationally.

12.3 The impact of the care cap is likely to have a greater impact on those local authorities where there are large numbers of self-funders and combined with the fair cost of care work is likely to drive up the weekly cost of care home and home care fees as well as other forms of care such as direct payments, extra care housing and supported living. There is a question as to whether the £3.6bn will be enough to cover the costs of these changes as no financial impact analysis has been undertaken.

- 12.4 It is also of note that the upper limit of £100,000 is more than four times the current limit of £23,250. This is likely to be significant for an authority such as Reading which supports more younger adults than older adults.
- 12.5 The investment of £1.7bn in improvements in the wider social care system seems is viewed as small given the level of underfunding of adult social care over the last decade or more, and it is likely that the service is likely to remain under pressure.

13. BACKGROUND PAPERS

Government White Paper (December 2021) *People at the Heart of Care: adult social care reform.*

Commission on the Funding of Care and Support (July 2011) chaired by Sir Andrew Dilnot, *Fairer Care Funding.*

Government Policy Paper (September 2021) *Build Back Better: Our Plan for Health & Social Care*

Department of Health and Social Care (July 2021) *Health and Care Bill: integration measures - GOV.UK (www.gov.uk)*