

ADULT SOCIAL CARE REFORMS

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Areas to Cover

- Adult Social Care Reform
Headlines
 - Charging Reforms
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Headlines

- On 7th September, Government set out its new plan for Adult Social Care reform in England 'Build back better: our plan for health and social care. This was further detailed in the White Paper, People at the Heart of Care.
 - Plan sets out a range of measures, including reforming the way adult social care is paid for and funded.
 - The key elements of the plan's social care proposals included:
 - a lifetime cap on the amount anyone in England will need to spend on their personal care
 - a more generous means-test for local authority financial support.
 - the ability for self-funders to ask their council to arrange their care
 - moving towards a fair rate of care in respect of councils' fees to providers.
 - The plan announced the creation of a new Health and Social Care Levy to fund the changes.
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Charging Reforms

Paying for Care – Current Position

- Only individuals with savings and assets worth less than £23,250 qualify for financial support for social care costs from their local authority.
 - Those with savings and assets worth more than £23,250 are expected to pay for care costs over their lifetime in full with no overall limit on costs
 - As such, individuals face the risk of unpredictable and unlimited social care costs - one in seven individuals over 65 will face care costs above £100,000 and roughly one in ten individuals will face care costs above £120,000 over their lifetime.
 - Primary objective of charging reforms is to provide people with financial protection from unlimited care cost and increase the protection of those with lower wealth and incomes
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Cap on personal care costs

- A **£86,000 cap** is proposed on the amount that anybody would have to pay towards the cost of their eligible personal care
 - Subject to parliamentary approval, **only the contributions made by individuals** will count towards the cap.
 - Self-funders who do not have their care commissioned by the LA on their behalf, will progress towards cap at rate of what it **would cost the local authority** if it was meeting their eligible needs. This will be set out in an **Independent Personal Budget (IPB)**.
 - Self-funders will be able to ask their local authority to meet their eligible needs by arranging their care.
 - A person's progress towards the cap will be recorded in a **Care Account** which will need to be set up and administered by the LA.
 - When a person reaches the cap, the LA becomes responsible for meeting the person's eligible care and support needs and for paying the cost of the care needed to meet those needs.
 - Implemented wef **October 2023** (early assessments to be available wef **April 2023**)
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Extended Means Test

- The reform propose a more generous means-test for those with eligible care and support needs to be eligible for local authority financial support.

	Current	Proposed
Lower limit	£14,250	£20,000
Upper limit	£23,250	£100,000
Means test	£14,250 to £23,250	£20,000 to £100,000

- Proposal will results in more individuals becoming eligible for council support to fund their care costs.
 - To be implemented from October 2023
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Key areas of focus

Government's Local Authority 'Operational guidance around supporting local preparation' sets out 5 key areas of focus:

- 1. Identify additional demand** – identification of and modelling around self-funders is a significant and immediate piece of work
- 2. Raising awareness and communications** within the service user community, self-funders and providers
- 3. Early assessment of service users** - preparation for April 2023
- 4. Identifying Capacity requirements** – impact on existing resources, processes etc to implement these reforms & identifying additional long term capacity requirements.
- 5. System requirements** – identifying changes required and working with suppliers

There will also need to be a strong focus on the proposed financial impact and financial modelling of each of these areas of focus both in terms of any one off implementation costs but also ongoing additional costs / loss of income.

Cost of Care



Fair Cost of Care

Further grant funding in 2023-25 will be provided, conditional on evidencing the following – for submission to DHSC by **14 October 2022**:

- **cost of care** exercises for **65+ care homes and 18+ domiciliary care**
 - engagement between LAs, commissioners and providers to arrive at a shared understanding of the cost of care – “Fair” is the median actual operating costs and must include and evidence values for return on capital and operations, and travel time for dom care.
 - Report to be produced setting out how the cost of care exercises were carried out incl; provider engagement; the lower quartile, median and upper quartile for costs collected; how the resulting cost of care for the local area has been determined, including the approach taken for return on capital and return on operations.
 - a **provisional market sustainability plan** - a final plan will be submitted in **February 2023**
 - Plan will **assess the impact current fee rates are having on the market and the potential future risks**, particularly in the context of adult social care reform
 - It will **outline mitigating actions, including the pace at which the local authority intends to move towards the fair cost of care (where it is not being paid already)** between 2022 to 2025, in order to ensure improved market sustainability.
 - a **spend report** detailing how funding allocated for 2022 to 2023 is being spent in line with the fund’s purpose
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Considerations / Risks

Cost vs Funding

- From 2022 to 2025, Government will provide £5.4 billion to local authorities to fund the overall social care reforms included in the White Paper, funded from the Health and Social Care levy
- A report from the County Councils Network (CCN) estimates reforms will cost authorities between **£29bn-£32bn over a 10yr period**, compared to governments **£20bn** estimate. Potential shortfall for North West England is £1.3bn per report

Resourcing

- Reforms will result in many more people being eligible for some means-tested Local Authority support - resulting in additional social work capacity and financial assessment capacity requirements - current workforce capacity issues mean meeting existing demand is a challenge
- CCN report suggests approximately **200,000 more assessments** per annum will need to be conducted requiring **4,300 additional social work** staff (a 39% increase in posts currently filled) and an **additional 700 financial assessors** (a 25% increase in posts currently filled) if no changes to existing ways of working are made.

Timescales and Implementation

- Extremely challenging timescales for implementation with detail still outstanding
 - Significant resource required for initial implementation of the reforms e.g. changes to charging policies, system changes – care account , new processes and procedures, communications, provider and service user engagement
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Financial impact for Wirral 2023-24

- **Charging Reform: £1.7m - £2.2m**
 - The cost impact for Wirral is estimated between £1.7m - £2.2m for the financial year 2023-24 with implementation from October 2023. This increases to between £5.3m - £6.9m in the second year reflecting full year impact of the new reforms.
 - **Operational Spend: £1m**
 - A requirement of 17 additional Social Workers is estimated to meet the reform demand and 4 Financial Assessment staff.
 - **Cost of Care: £17.9m**
 - LaingBuisson published a report for the County Councils network in March 2022 estimating the impact of the implementation of a fair cost of care for residential services in the over 65 care population. The outcome of the local Market Sustainability exercise will provide further insight into this cost along with the anticipated impact on the domiciliary care market.
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Questions?

