

People and Health Overview Committee

28 June 2022

Responding to the Adult Social Care White Paper Reforms – “People at The Heart of Care”

For Review and Consultation

Portfolio Holder: Cllr P Wharf, Adult Social Care and Health

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Report Status: Public

Brief Summary:

This paper considers the implications for Dorset of reforms proposed in the White Paper

“People at the Heart of Care” encompassing amongst other revisions, introduction of major reforms to funding arrangements for adults in care with an overall cap on the cost of care, a new framework for assurance/inspection of quality of adult social care provision and describing how the care offer needs to be developed over the next ten years.

And the proposed response to those implications.

(Please note a separate paper on this agenda considers the longer-term implications described in the white paper “Health and Social Care integration- Joining up Care for People and Places and Populations”)

Recommendations:

1. To note the proposed reforms to adult social care and health systems and their implications for Dorset
2. To endorse the proposed approach to addressing those implications

Reason for Recommendation:

A response is required to pending legislative changes to the adult social care and wider health systems.

Report

1.0 Introduction to the Adult Social Care “reforms”

1.1 The “**People at the Heart of Care**” white paper sets out a 10-year vision to transform support and care in England based on 3 objectives:

1. People have choice, control, and support to live independent lives.
2. People can access outstanding quality and tailored care and support.
3. People find adult social care fair and accessible.

1.2 The ambitions described to achieve those objectives are extensive, for the purpose of this report they can be summarised as:

- Innovations and investment in models of care, support for the care workforce and for carers.
- A new assurance and inspection framework for the Adult Social Care delivered by Local Authorities and Integrated Care Systems
- “The funding reforms” relating to the care of an individual, and the proposed cap on the overall cost of care.

2.0 Innovations and investment in models of care; enhanced support for the care workforce and carers

2.1 The paper sets out government ambitions to support “outstanding quality care and move towards the choice, control and independence that people want” by:

- **“making every decision about care a decision about housing”**, enabling choice over peoples housing arrangements, be that a new home or their existing home, purpose-designed or not, with access to the adaptations or technologies to live well.
- **“using the full potential of technology to support people’s lives and aspirations”** including:
 - digital tools in homes and hands of those drawing on care and support and their carers
 - equipping the social care workforce with the digital tools, knowledge, and confidence they need
 - creating the digital and data infrastructure needed to drive future transformation in care delivery
- **“building a system that can develop and adopt new ways of providing care and support to people at scale”**.
- **focusing on prevention and health promotion** to support people to live healthier lives for longer

2.2 To translate these ambitions into opportunities, proposals for investment are described of “at least £300 million over the next 3 years to embed the strategic commitment in all local places to connect housing with health and care, and drive the stock of new supported housing” Including:

- “£150 million of additional funding over the next 3 years to drive digitisation across the sector”
- a £30 million “Innovative Models of Care Programme” to support local systems to build the culture and capability to embed into the mainstream innovative models of care.
- Funding a new service to make minor repairs and changes in people’s homes, alongside increasing the upper limit of the Disabled Facilities Grant.
- continue to invest in the Care and Support Specialised Housing Fund with £210 million available for the period 2022 to 2023 through to 2024 to 2025.

2.3 The route to maximising these opportunities so they will meet the needs of people in Dorset, lies in the development and implementation of our new commissioning strategies:

“A Better Life for Older People”,
 “A Better Life: For People of Working Age with Support Needs, and
 “A Better Life for Carers”

which will shape future service delivery and innovation locally.

2.4 These are considered in more depth in their own dedicated report elsewhere on this agenda and so the remainder of this report will focus on the approach to assurance / inspection and “funding reforms”.

3 A new assurance and support framework for the Adult Social Care delivered by Local Authorities

3.1 The government’s ambition is to make it “easy for local people, providers and national government to see how well local authorities are meeting their adult social care duties under part one of the Care Act 2014.”

3.2 Assurance and support proposals will be based around:

- independent assessment of local authorities by the CQC (due to commence from April 2023)
- enhanced improvement support, led by the sector from October 2022
- a mechanism to intervene, as a last resort, if a local authority is failing
- better data: including a new Adults social Care data framework (due to be published imminently and revisions to the current Adults Social Care Outcome Framework (ASCOFF) (in the Autumn of this year)

3.3 Assessments by CQC may look at some, or all, of the following aspects of local authority performance, for example:

- maintaining oversight of the social care workforce in their local area, supporting staff retention and professional development
- managing transitions between services – for example, between health and social care, and the transition from children’s to adults’ services
- preventing people from requiring social care in the first instance – for example, by supporting and developing community organisations working on prevention and reablement
- carrying out their safeguarding duties
- ensuring good outcomes for people through effective leadership
- managing their commissioning and contracting responsibilities
- shaping the care market to meet people’s needs with diverse and quality provision, enabling choice and independence
- meeting the needs of unpaid carers

- assessing the needs of people who may be eligible for care and support them to access what they need, whether or not they receive local authority support or will fund their own care

3.4 The detailed approach to assessment, and the associated “improvement” offer are still under development and this authority will remain part of the collective engagement between local government and CQC as the approach progresses to implementation from the spring of 2023.

3.5 Essentially, the new framework provides the opportunity for the authority to self-assess against an established benchmark, and to use the outcome of that to plan and implement our own improvement and share our intentions for that with the communities we serve. The assurance framework would support and form part of the assurance of our development programme.

4 Reforms to funding the care of an individual, and the proposed cap on the cost of care “The Funding reforms”

4.1 The purpose of these reforms, which were suspended temporarily from the implementation of the original Care Act of 2014, is to secure “a fairer system of adult social care”, where:

- people contribute towards the costs of care if they are able to
- there is a more generous safety net for those who are unable to pay
- people who self-fund their care do not have to pay more than local authorities for the same service
- the public understands the need to contribute to the costs of their care so that they can plan for it, but no one should be required to pay unpredictable and unlimited care costs.
- no one needs to pay more than £86,000 for their personal care costs, alongside more generous means-tested support
- self-funders can access the same rates for care costs in care homes that local authorities pay, ending the unfairness where self-funders have to pay more for the same care, while ensuring local authorities move towards paying a fair cost of care to providers
- ensure fees for care are transparent to allow people to make informed decisions

4.2 These aspirations involve from October 2023 the following reforms to the legal and financial framework for adult’s social care:

- introduction of an overall limit on the cost of care to an individual so that no one pays more £86,000 for their personal care costs (often referred to as “the Care Cap”)
- More generous means tested support for anyone with less than £100,000 in chargeable assets- comprising the lower capital limit rising from £14,250 to £20,000 and upper capital limit from £23,250- to £100,000 (consequently more people will be eligible for local authority funding)
- Section 18(3) of the Act currently means that local authorities must meet a person’s eligible care and support for home and “day” care, from October 2023 this will be extended to Care home provision.
The intention is to ensure that self-funders can access the same rates for care costs in care homes that local authorities pay, ending the unfairness where self-funders have to pay more for the same care, while ensuring local authorities move towards paying a fair cost of care to provider
- Alongside this provision the opportunity will be introduced for an individual to “top up” the cost themselves if they have chosen more expensive care that the local authority would provide (currently only third parties can do this).

Accompanying the white paper, the government has published detailed draft guidance for implementation which is informing local authority planning

4.3 Implications of the funding reforms

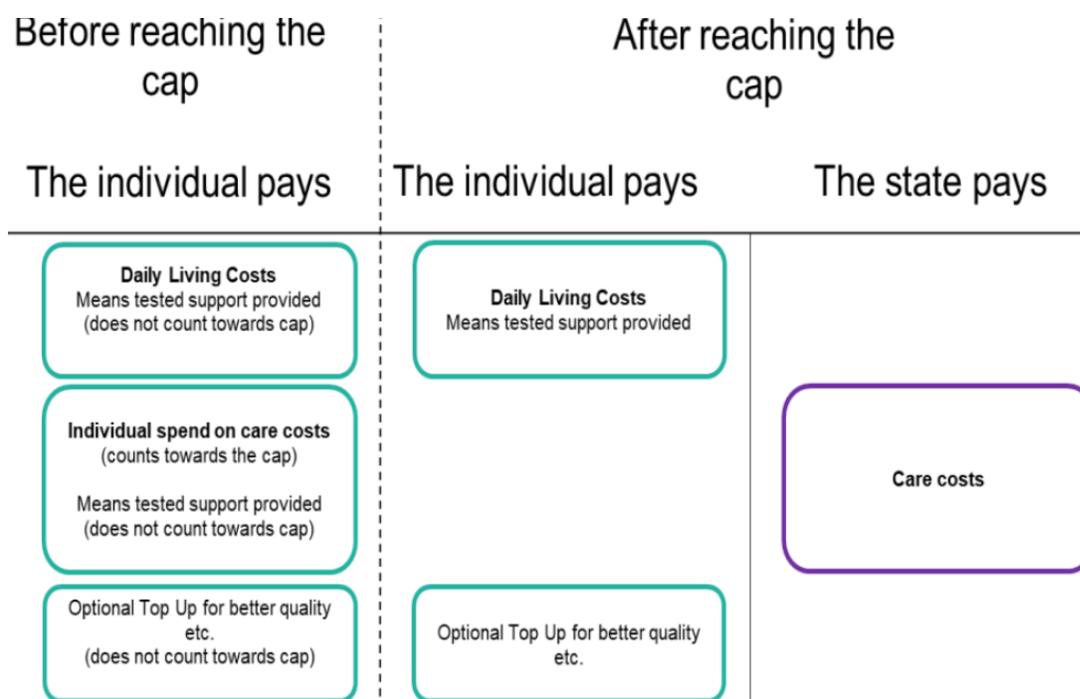
- 4.4 Of all the propositions in the white paper, it is the funding reforms which present the greatest challenge and risk to local authorities, both financially and in terms of implementation
- 4.5 The “Care Cap” itself will require the creation of a care account for every user of services, (local authority and self-funded_, to track the and eligible costs which count towards the total cap on the cost of care of £86,000, a statement of progress (or “metering”) towards the cap, every six months explaining how those costs have been captured and expected point at which the cap will be reached.
- 4.6 The costs eligible to count (or meter) towards the cap will be defined through the formal assessment of needs and care planning conducted in accordance with the care act and captured in a “personal budget” for clients whose care is arranged and funded by the local authority, or an “Independent personal budget” for those people who have arranged and funding their own care (“Self-funders”).
- 4.7 While this represents a technical challenge in terms of systems development to capture and manage all the necessary information, providers of case management systems including the supplier of Dorset’s Case management system intend to

develop the relevant functionality in dialogue with the central government departments driving the reforms.

4.8 Only the costs of care, funded by the individual (excluding any local authority contribution after means testing), at the price the local authority would pay to meet eligible needs which have been defined through the needs assessment process are eligible to count towards the cap.

4.9 The cost of accommodation, food etc (“hotel costs”) which will be set nationally at £200 per week are excluded, as are the costs of any provision over and above what the local authority, would have arranged or paid for (in the case of a self-funder) following the assessment. Once the cap is reached the costs of care will become fully state funded, other costs will remain the responsibility of the individual.

4.10 The diagram below seeks to illustrate how costs are shared between the individual and the state in the lead up to and after the cap is reached



4.11 This is likely to be substantially different to and less than, the total cost many “self-funding” people and families will understand and be paying, and not necessarily what they will be expecting. The process of assessment and establishment of the care account is likely to be more complex in practice than it initially appears, and the risk of dissatisfaction and challenge amongst new customers entering the local

authority care system for the first time because of these reforms, is consequently high.

- 4.12 The processes which the council puts in place will need to consider this and extensive local communication will be required, co-ordinated with the planned national campaign, to explain the reforms and manage people's expectations about them
- 4.13 Higher volumes of people currently funding and arranging their own care are likely to present themselves for assessment:
- in order to establish a care account and begin to protect their financial position,
 - because they now fall within the scope of the revised financial thresholds which make them eligible for financial support,
 - because they hope to secure care at a lower local authority rate and exercise their right to request the local authority arranges their care.
- 4.14 This will present a substantial capacity challenge, in terms of conducting the necessary needs and financial assessments in a timely way and addressing any challenges to the conclusion those assessments reach. Moreover, the anticipated increase amongst those asking the local authority to arrange their care under the extension to S18 of the Act to Care home provision, will increase the volume of placement and brokerage transactions that will need to be supported.
- 4.15 To meet this challenge and smooth out the additional demand, the government has assumed that self-funders will be invited to come forward from April 2023 in advance of the care cap introduction in October 2023, which allows only some ten months to prepare.
- 4.16 Securing sufficient additional skilled resources to conduct needs and financial assessments is recognised as a national issue facing all local authorities. In a recent report commissioned by the county council network and prepared by Newton Europe, estimates nationally that an additional 4,300 social work staff will be required from an existing workforce of 17,400, which currently carries 1,782 vacancies. - This means the total increase required of social work staff nationally is 6,082, or 39% more posts than are filled currently. An additional 700 financial assessment staff will be required from an existing workforce of approximately 2,700, representing a 25% increase.
- 4.17 Even if the challenge of funding all of this additional capacity could be met, it is questionable whether sufficient additional resources can be secured or trained in sufficient time to meet the relatively sudden increase in demand which is

anticipated, it will therefore be essential to streamline approach and process, secure the support of providers and enable higher levels of self service, whilst maintaining appropriate rigour, to free up those skilled resources which are available to focus on the more complex technical aspects where their skills are most required.

4.18 One of the white paper intentions is to *“ensure that self-funders can access the same rates for care costs in care homes that local authorities pay, ending the unfairness where self-funders have to pay more for the same care, while ensuring local authorities move towards paying a fair cost of care to providers, and to ensure fees for care are transparent to allow people to make informed decisions”*.

4.19 In recognition of the potential impact on the market of those adjustments, local authorities are required to have undertaken a “fair cost of care exercise” to establish what is a sustainable fee rate, and to work with providers to 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 and the impact of more self-funders requesting care be arranged by the local authority at its rates).

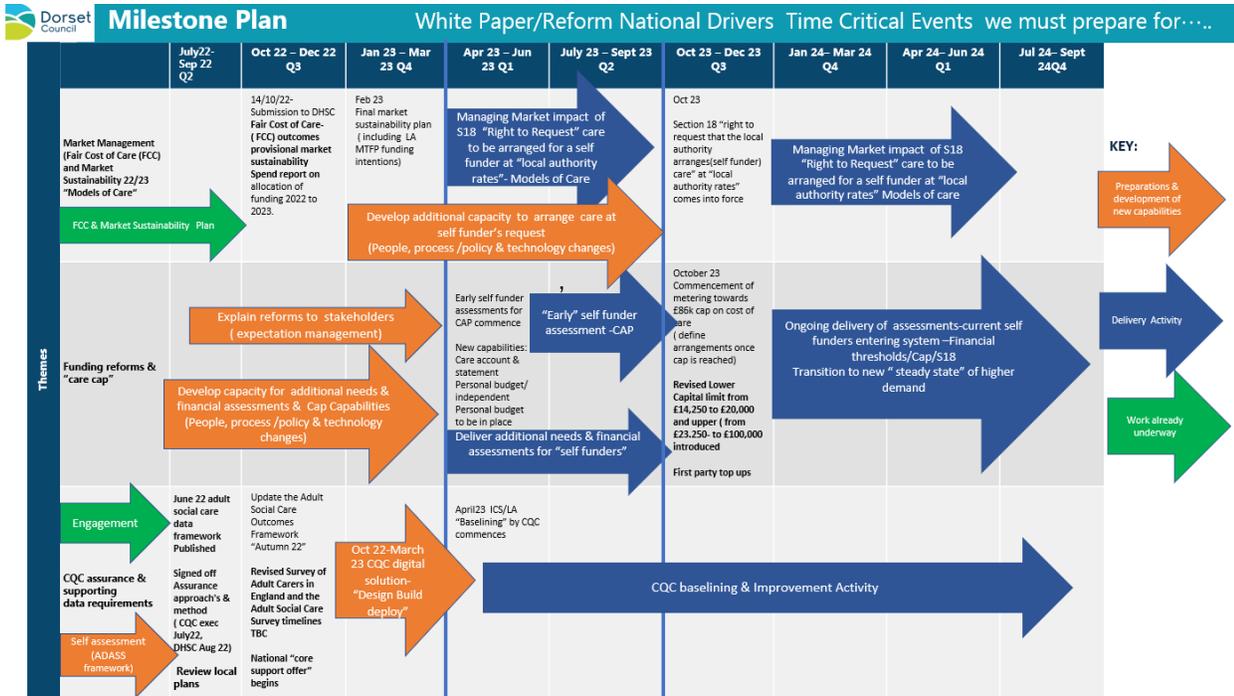
4.20 This assessment will enable local authorities to inform the development of mitigating actions, including how much they will need to increase fee rates over the three-year Spending Review period. A provisional position must be submitted to the department of Health in October of this year, with a final plan, setting out the council’s funding intentions through the MTFP to be submitted in February

4.21 Dorset undertook a fair cost of care exercise in later 2021 and work on the “market sustainability plan” is underway.

4.22 The submission of fair cost of care exercises and market sustainability plans by local authorities in October provide the opportunity to progress individual and collective dialogue with central government to secure adequate funding for these reforms.

Preparing for the reforms

The national funding reforms introduce a tight timetable of challenges which councils must prepare for.



A presentation on the emerging approach to meet these requirements will be given at the meeting.

5. Financial Implications

- 5.1 The collective intention of the reforms is to adjust both costs paid in the market to secure greater parity between local authority and private rates and effect a shift in the funding for the cost of care from the individual to the state.
- 5.2 It is essential that local authorities are fully funded for the additional financial burden these reforms will represent however given that modelling is based, as it must be, on a substantial number of assumptions, the complex and substantial financial and market impacts and risks around funding for the reforms are still being understood both nationally and locally, the proposed program responding to the reforms will interface with MTFP planning as the reforms progress towards implementation.
- 5.3 A senior multi officer group is currently reviewing the totality of local financial impact of these reforms, linking in with independent national assessments being undertaken by ADASS LGA and County Council Network.

6 Climate Implications

The reforms and associated programme to be prepared to address them and develop the social care offer emphasises care at home, home improvement and maximising local opportunities for independence, greater reliance on self service and the “digital offer” which is likely to reduce the need to travel to access and deliver services

Overall, the impact is likely to be neutral or positive.

7 Well-being and Health Implications

The aim of the social care reforms is to maximise and maintain people’s health and wellbeing through prevention and innovation which enhances their independence for as long as possible

8 Other Implications

No other known implications

9 Risk Assessment

9.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: High

Residual Risk: Medium

10 Equalities Impact Assessment

10.1 The national reforms have been subject to national impact assessment and consultation as they progress into law. They seek to enhance people’s opportunity to access a greater range of care opportunities to meet their needs with additional support for carers and care workers.

10.2 The funding reforms seek to extend state financial support to a wider group of people to fund their care.

10.3 The proposed assurance framework within the reforms will enable a more systematic assessment of how well adult social care is delivered locally, based around impact on the individual.

10.4 Assessment of the impact of individual elements of the local response to reforming adults social care in Dorset will be assessed on an individual basis as the program progresses in its delivery

11 Appendices

None

12 Background Papers

Link to the White Paper [“People at the Heart of Care”](#) issued 18th March 2022.