

*Presentation to Corporate Governance Committee*

**Inability to establish long term delivery strategies as a result of the Government's Care Act which provide for very significant changes and implications for Adult Social Care and the whole Council**

*Risk Scoring: 20 (Impact = 5, Likelihood = 4)*

*June 2015*



**Royal Assent** 2014. Phase 1 enacted April 2015. Phase 2 to be enacted April 2016.

## Overview

Biggest change in Adult Social Care for 60 years and impacts on the whole Council.

Builds on recent reviews and reforms, replacing numerous previous laws, to provide a coherent personalised approach to adult social care in England. Consolidates and modernises the framework of care and support law; sets out new duties for local authorities and partners, new rights for service users and carers and new responsibilities for self funding people.

## Aims

- **Clearer, fairer** care and support
- **Wellbeing** – physical, mental and emotional – of both the person needing care and their carer
- **Prevention and delay** of the need for care and support
- **People in control** of their care.

## A new emphasis on wellbeing

The new statutory principle of individual **wellbeing** underpins the Act, and is the driving force behind care and support.

## Main Changes

For people who need care and support, **and their carers**, there will be:

- Improved access to information and advice, preventative services, and assessment of need
- an entitlement to care and support for those with eligible needs
- a new model of paying for care, with a cap on the care costs for which an individual is liable
- a common system across the country (national eligibility threshold).

# Phase 1 – enacted April 2015

- LCC eligibility policy aligned to national eligibility criteria.
- LCC Deferred Payments Scheme aligned to national Deferred Payments Scheme
- Provision of social care in prison settings.
- LCC Carers offer aligned to Statutory Guidance
- Referral mechanism to Independent Financial Advice
- Council web pages updated to enable better access to advice and information.

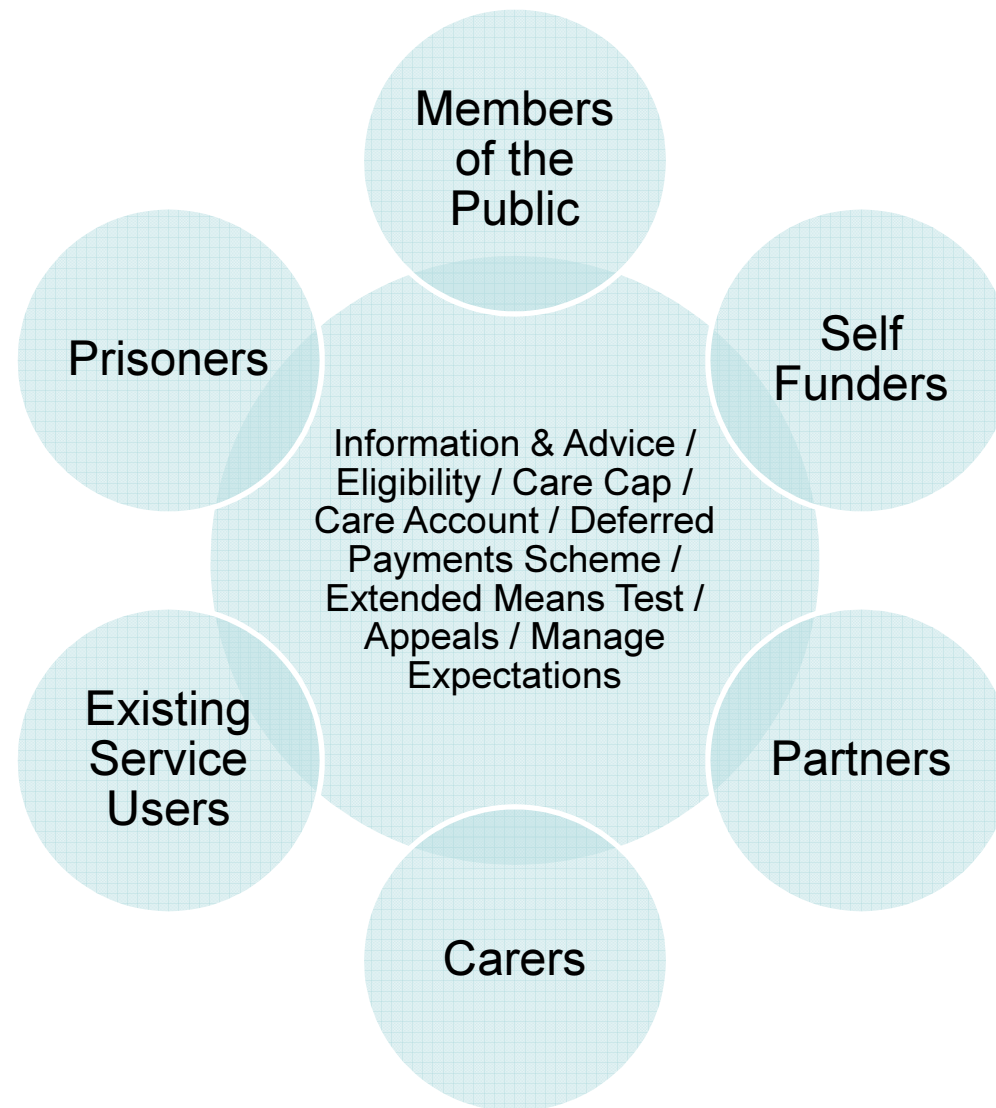
Risk mitigation for this phase included:

- Internal Audit report
- Business Readiness Assessment by Transformation Unit
- LGA / DoH / ADASS National Stocktake

# Phase 2 – To be enacted April 2016

- Self Funder pathway
- Care Account
- Care Cap
- Extended Means Test
- Appeals?

# Impact on Citizens



# Impact on Provider Market

## **All providers: residential, domiciliary, community**

- The implementation of Care Accounts requires self-funders to have care and financial assessments from the Council.
- Self-funders can ask the Council to arrange their care; the draft guidance is unclear as to what that will entail.
- Virtual Independent Personal Budgets (IPB) will be established for all self-funders with eligible needs. This will indicate the amount of money the Council would have allocated to meet their eligible needs.
- IPBs will be based on an average of the personal budgets for funded people. Consequently the perceived price discrimination in the market – and by extension, the perceived cross subsidy – will be much more explicit.
- Self-funders may query why their fees are higher than those usually paid by the Council and the amount of their IPB. There is a consequential risk of strain on resources and legal challenge.
- It is likely that providers will challenge the Council's fee review mechanism requesting that fees are increased so that the differential between private and Council rates is reduced or eliminated. There is a consequential risk of strain on resources and legal challenge.

# Approach to Self Funders

## **Independent Personal Budget (IPB)**

The amount that the Council would pay to meet the eligible needs, regardless of whether the self funder is entitled to financial support or the Council has arranged their care.

### **Areas of concern:**

- Identification
- Light touch assessments: care, financial
- Access to independent legal and financial advice
- How to calculate the IPB: average rate, actual cost, resource allocation system
- Appeals & challenge

### **Mitigation:**

Care Act Programme Board agreed May 28<sup>th</sup> 2015:

- “Light touch” approach to undertaking care and financial reviews
- Approach to self-funders should be a minimalist one that does not develop dependency on the Council but promotes self care and support.
- Aligned to the Adult Social Care Strategy of promoting independence whilst being affordable and robust
- Council should seek to charge self-funders the full cost of the services involved in arranging their care.



## **Managing expectations** for public and providers

Nationwide, Regional & Local publicity:

- Department of Health
- Media: TV, Online, Radio, Newspapers
- Charities & Voluntary Agencies
- Disability groups

Lack of clarity in the Statutory Guidance. Very short timescale from the final guidance being issued in Oct 2015 and the implementation date of April 2016.

Confusion between phase 1 and phase 2 deliverables

Information Technology Software providers unable to fully develop systems until final guidance is issued. Very short timescale from the final guidance being issued in Oct 2015 and the implementation date of April 2016

Increased responsibility and cost at time of austerity and cut-backs

Final guidance will not be issued until October 2015 for implementation April 2016. Lack of certainty about:

- How to calculate IPBs.
- Daily living costs
- Capital limits
- Transfer of some funding from Department of Work & Pensions to Councils
- Council's role in "arranging care" for self-funders.

Need to plan for the work before final guidance is received.

Need to engage with Providers and Citizens before final guidance is received.

The best estimate is that 3600 self funders will require care and financial assessments in next two years. Cannot start this work until October 2015.

All service users will require a Care Account including funded people.

Updated computer systems will not be available until 2016.

# Estimated additional costs for LCC



National financial model used to estimate additional costs for LCC. The Council is assisting in the development of this model.

Data used to build up the financial model is derived from national surveys and returns as well as local intelligence. **Much of the source data is estimated.**

The financial model is continually being refined and amended as assumptions are tested and information is confirmed. This work will continue as we move through the life of the programme.

The table shows the **estimated additional cost** for the Council over a 10 year period for **Older People**.

	2016/ 17	2017/ 18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL
	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M
Home Care	0	0	0	0	0	0	0	0.2	0.2	0.3	0.7
Residential	0	0	0	0	0	0.2	1.7	1.9	2.2	2.3	8.3
Means Test (Asset Threshold)	1.3	1.9	2.0	2.9	4.5	3.9	4.3	4.4	4.6	5.3	35.1
<b>Additional Cost</b>	<b>1.3</b>	<b>1.9</b>	<b>2.0</b>	<b>2.9</b>	<b>4.5</b>	<b>4.1</b>	<b>6.0</b>	<b>6.5</b>	<b>7.0</b>	<b>7.9</b>	<b>44.1</b>

Figures based on Lincolnshire Model and calculated for Older People only

# Consequences of Risk Materialising

## **Service Delivery**

Double the number of eligible service users causing delays in service

Concern on how well changes will be understood by staff / service users / public

## **Systems**

Software suppliers will not be able to develop ICT systems until the final Guidance is issued. Manual workarounds will be required until ICT systems are updated.

## **People**

Significant staffing and ICT resource implications

Additional staffing required at a time where workforce to be reduced

## **Financial**

The Council will not have enough money to pay for the care that it has to provide under the Care Act. There is no indication of how far the Government will fund the additional burden.

Major impact on substantial savings / efficiencies required

Additional operating costs (increased assessment activity / care accounts)

Significant reduction in income from charges

More deferred payments for care costs

Extension to financial means test resulting in reduced income and cash flow

Protections for self funders resulting in additional cost for Council

# Mitigation in place

- **Programme Board.** Director of Adults & Communities is Programme Sponsor. Representation on Board from corporate departments
- **Programme Initiation Document** being compiled to identify scope and will be signed off by Programme Board
- **Risk Workshop** planned in conjunction with Transformation Unit
- **Financial modelling** continuing to scope impact on budget. Council is part of the National pilot undertaking further work to refine the financial model.
- **LGA / ADASS stocktakes** compare progress with other Councils
- **Participation** with national and regional working groups
- **Staff information and training**
- Participation in the DoH **national eligibility survey** looking at the impact of the Care Act

# Further mitigation

Care Act Programme is a **Transformation project** and reports into the Transformation Delivery Board

**Gateway Reviews** are planned to provide independent scrutiny on how the Programme is being managed and identify possible improvements/recommendations.

**Internal Audits** of specific key risks

**Prioritisation of deliverables** in Programme Initiation Document.

**Review of risks** as national information becomes available and ongoing as part of programme management.

Experienced Central Planner allocated to programme to assist with planning, delivering the **Critical Path** and supporting work programmes.